***No. 29,710

# FINANCIAL TIMES

Saturday August 24 1985

UK 35p U.S.A. $1.00 Canada C$1.00 Bermuda $1.00



**WORLD NEWS**

## S. African children arrested

Nearly 700 South African children, some as young as six, were arrested in Soweto for boycotting school in violation of state of emergency rules. In Cape Province police shot dead *six blacks and wounded* 20 in rioting. **Page 3**

Seven black and Indian acti*vists were arrested* in *Durban*. This places in custody many of the Natal leaders of bodies affiliated to the opposition *United* Democratic Front.

### NUR to keep fund

The National Union of Railwaymen declared a 7-1 majority for retaining its political fund. It forecasts a large majority in a separate ballot of guards on industrial action. **Back Page**

### $28m accident payout

Acci*dent insurance of* at *least* $27.5m (£19.6m) will be paid for the 524 victims of the crashed JAL Boeing, said the Marine and Fire Insurance of Japan. It would be the most for an accident in Japan.

### Tamil action feared

Sri Lanka's parliament extended a state of emergency for a month after the Government warned of plans for an offensive by Tamil guerrillas. **New Delhi initiative, Page 2**

### Punjab police sacking

The police chief of Punjab, India, was *dismissed* after allegations that security lapses led to the murder this week of Sikh leader *Harchand* Singh Longowal.

### Satellite rescue bid

Two of the five-strong crew of Discovery—the 20th mission *of* the U.S. space shuttle due to be launched today—will attempt a space walk next week to catch and restart a stranded satellite.

### McGuinness freed

Martin McGuinness, the Sinn Fein MP, was released from Crumlin Road prison, Belfast after five days in custody for non-payment of £155 fines.

### Clemency for prisoner

Kevin Capenhurst, 17, terminally ill with cancer, who has served one year of a three and a half year sentence for robbery, was released by the Home Office after an appeal for clemency.

### Mink release attacked

Police criticised as irresponsible the release of 1,000 mink into *the New Forest from a farm.* The Animal Liberation Front has claimed responsibility.

### Replacement rugby tour

New Zealand's All Blacks rugby union team will tour Argentina in October and November as a replacement for the summer tour of South *Africa halted* by a court injunction.

### Cram record broken

Said Aouita of Morocco took the world 1,500 metres record at the West Berlin grand prix meeting. His time of three minutes and 29.45 seconds beat the previous *best* by Steve Cram in July by 0.22 seconds.

### Mug's shot

A thief who grabbed cameras from a photographic shop in Frankfurt, West Germany, gave himself up after realising he had left behind his freshly-taken passport photos.

### Cool weekend forecast

London Weather Centre said the weekend would be rather cool with blustery showers, although bank holiday Monday was likely to be a little finer. Yesterday crashes in heavy rain led to a 17-mile jam on the M6 through Birmingham.

**Financial Times**

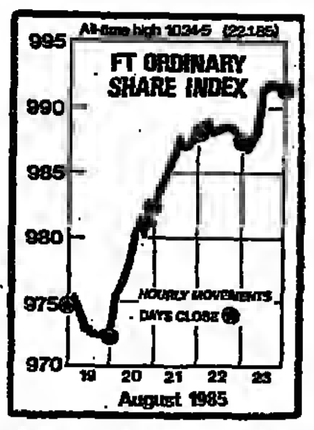
The *Financial Times* will not be published on Bank Holiday Monday.

**BUSINESS SUMMARY**

## Bond set to take over Castlemaine

**BOND** Corporation of Australia is close to winning contro of Castemain Tooheys. It secured the 25 per cent stake held by British food and drinks group Allied-Lyons with a revised offer valuing the Queensland and New South Wales brewer at A$1.2bn (£605m). Bond now *owns 44 per cent* of *Castlemaine* and seems poised to set a record for an Australian takeover. **Back Page**

**LONDON STOCK** market shook off doubts about Wall Street's overnight decline as investors continued to hopa for bank




interest rate cuts. The FT Ordinary index closed 4.2 higher at 991.4, np 16.7 on the week and the best closing level since June 11. **Page 24**

**MIRROR GROUP** Newspapers publisher Robert Maxwell said suspension of pnblication of four national papers would continue until "order is restored and management is allowed to manage." **Back Page**

**TRADE AND INDUSTRY** Department investigation of Milhury building and property company, following a High Court ruling, will again focus attention on financier Jim Raper. **Back Page.**

**LLOYD'S:** a group of members are in a legal dispute with market officials over losses of three syndicates once managed by Oakeley Vaughan agency interests. **Page 3**

**AUGUST** new car sales, at 287,043 after 20 days, were 20.88 per cent ahead of the sales record set in August 1983. **Page 4**

**BRITAIN'S DAIRY** products industry, with annual retail sales of more than £5.5bn, aces a troubled future because of concern about healthy eating, a survey said. **Page 4**

**SMALL BUSINESSES** were told that applications for planning permission *would usually* be treated favourably, in two Environment Department draft documents. **Page 3**

**BRAZIL'S** Finance Ministry fiercely attacked the profligate course it said the Sarney government was taking. **Page 2**

**A. H. ROBINS'S** British arm is to continue business as usual, although the U.S. parent filed for reorganisation under the U.S. bankruptcy code after litigation over its Dalkon Shield contraceptive. **Page 3**

**GKN KENT ALLOYS**; one of three British car wheel makers, won orders from Ford and Chrysler of the U.S. which will double the level of its North American business. **Page 4**

**TOYOTA MOTOR,** Japan's leading motor group, reported pretax profits of Y684bn (£2.06bn) for the year, up 24 per cent, and is to raise tha dividend. **Page 9**

**JOHNSON** Group Cleaners raised first-half profit before tax by almost 41 per cent, to £3.83m, despite absorbing higher-than-expected interest rates. **Page 8**

**ELECTROLUX** of Sweden, Europe's biggest maker of household appliances, said operating profits stagnated in the first six months, although turnover increased by 9 per cent. **Page 9**

## MARKETS

**DOLLAR**
New York lunchtime
DM 2.75425
FFr 8.401
SwFr 2.255
Y236.5
London:
DM 2.751 (2.7425)
FFr 8.4 (8.375)
SwFr 2.253 (2.2435)
Y236.4 (235.85)
Dollar index 135.7 (135.3)
Tokyo close 236.45

**U.S. LUNCHTIME**
Fed Funds 7 11/16%
3-month Treasury Bills: 7.03%
Long Bond 101 13/32
yield: 10.42

**GOLD**
New York: Comex October latest $337.5
London: $333.25 ($336)

**STERLING**
New York lunchtime $1.401
London: $1.403 (1.4075)
DM 3.8625 (same)
FFr 11.7875 (11.79)
SwFr 3.165 (3.1575)
Y331.5 (331.75)
Sterling Index 82.2 (82.4)

**LONDON MONEY**
3-month interbank: closing rate 11 9/16% (11 17/32)
3-month eligible bills: buying rate 11 15/32% (11 7/16)

**STOCK INDICES**
FT Ord 991.4 (+4.2)
FT-A All Share 635.04 (+0.2%)
FT-SE 100 1,313.5 (+3.5)
FT-A long gilt yield index: High coupon 10.30 (10.26)
New York lunchtime: DJ Ind Av 1,316.53 (−1.57)
Tokyo: Nikkei Dow 12,691.41 (−42.64)

*Chief price changes yesterday, Back Page*

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 42; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

# Guinness wins Bell for £356m after two-month battle

BY LISA WOOD

GUINNESS yesterday emerged the victor in its £356m takeover bid for Arthur Bell, Scotch whisky distiller, after one of the most ferociously fought bids seen by the City for many years.

The brewing and retailing group said on a preliminary count it had received acceptances of its offer from the holders of some 65 per cent of Bell's shares. The final figure is expected to exceed 70 per cent when announced to the Stock Exchange on Tuesday.

Mr Ernest Saunders, Guinness's chief executive, said: "I believe that Bell's considerable potential can now be realised because Guinness and Bell together unites two of the world's most famous brands and creates an international team of enormous strength."

Mr Raymond Miquel, chairman of Bell, was not available for comment but a statement from Shandwick Consultants, which has acted for Bell during the take-over battle, said: "Guinness is taking on the stewardship of the most successful Scotch whisky company in recent years and Bell hopes that Guinness will continue to enhance that success in the future.

"The board of Bell is grateful for the dedication of its workforce and welcomes Guinness's guarantee of no redundancies as a consequence of the take-over and Guinness's commitment to maintain Bell as an antonomous company managed *from Perth.*"

It is understood that Mr Saunders and Mr Miquel had not spoken yesterday but that a meeting was being sought next week.

Guinness will start to review Bell's operations, which include Canning Town Glass, bottle manufacturer and theGleneagles Hotels Group, which includes the Five Star Gleneagles Hotel in Scotland and the Piccadilly Hotel in London which has just opened after a lengthy refurbishment.

Growth in Bell's pre-tax profits—£20.7m inthe six months to December 31 1984 with a forecast of £37.5m for the full year—have been attributed to these hotel acquisitions, although the Piccadilly had additional refur*bishment costs.*

Mr Saunders repeated his reassurances yesterday concerning employment within the group. "Our objective is to build the Bel's business," he said.

The takeover battle has heen one of the liveliest for some years, rovoking slmost daily clashes between the two companies since it was announced in mid-July. At the time Mr Miquel said there was no price that would be right for Bell. The company was not for sale.

Then followed claim and counter claim over which company's marketing efforts were the strongest, particularly in the important U.S. market where Guinness and Bell are trying to make inroads. Guinness also made great play of Bell's declining share of the UK whisky market where, *although it is still brand* leader, its share has dropped from around 24 per cent in the early 1980s to soma 20 per cent.

Hurdles Guinness surmounted included a possibel referral to the Monopolies and Mergers Comission, with Guinness conducting a skilful campaign in Scotland to provide reassurance that Bell, the second lsrgest independent Scotch whisky producer, would maintain its antonomy and continue to be managed from Perth.

Guinness was helped by a Bell boardroom split a week ago with one director, Mr Peter Tyrie, urging acceptance of the hid.

Bell, which has seen its pre-tax profits grow from £3m in the early 1970s to more than £35m in 1984 under the stewardship of Mr Miquel, waa taken by surprise by the bid although *its share price* had been moving up in the week heforehand. The company faced initial difficulties in that it claimed Morgan Grenfell, Guinness's merchant bank, had been its financial advisers and therefore should not act for Guinness.

During the battle, with S. G. Warburg and Henry Anshacher acting for Bell, the whisky company had to clarify certain statements it made about Guinness, at the request of the Takeover Panel.

In addition it suffered embarassment over speculation that Rothmans Internstional, the tobacco group, might mount a counter hid. Bell did nothing

**Continued on Back Page**

***Battle for Bells, Page 6; Bond near to victory, Back Page; Lex, Back Page***

# W. German spy catcher defects to East Berlin

BY JONATHAN CARR IN BONN

WEST GERMANY's counter-intelligence service faces a shake-up following the revelation that one of its top spy chasers has defected to East Berlin.

The spy scandal is seen as one of the worst in the country's history and political efforts sra under way to limit the damage to East-West German ties.

The storm hroke yesterday when it was announced from East Berlin that Herr Hans-Joachim Tiedge, of the West German Office for the Protection of the Constitution (BFV), had arrived there and sought *political asylum.*

Officials in Bonn said Herr Tiedge, aged 48, was a senior *official* of the BFV, charged—among other things—with directing operations against East German agents in West Germany. He had worked for the office for 19 years.

Apart from knowing of counter-espionage operations at home, Herr Tiedge is said to have had access to information on western agents in the east. There are unconfirmed reports that some agents are being withdrawn for fear of exposure.

The BFV has come under intense critical fire from right across the political spectrum, for failing to act toughly and promptly enough.

It has emerged that Herr Tiedge long had serious personal personal difficulties including a drink problem and lack of cash. But there was evidently no move at the BFV to shift him to a less sensitiva post.

Moreover, although Herr Tiedge had been missing since Monday, German officials still appeared astonished when news of his arrival in East Berlin was reported yesterday by the East German news agency.

The Tiedge scandal is only the latest—though much tha most weightly—in a series of affairs apparently linked to espionage to emerge in Bonn in the last few weeks.

First Frau Sonja Luenehnrg, an aide to the Economics Minister, Herr Martin Bangemann, was reported missing and is now also believed to be in East Berlin. Her disappearance was followed by that of another senior secretary in Bonn and of a messenger for the armed forces administration office.

There is speculation that all the cases are linked, hut so far no confirmation. Nor are intelligence experts yet sure how long Herr Tiedge may have been working for East Berlin. It is still felt possible he may have been recruited fairly recently and that the damage dona may be *relatively limited.*

The affair comes at a bad time not just for the centre-right Government of Chancellor Helmut Kohl but for the Social Democrat opposition too.

There are tentative plans for Herr Kobld to have a summit meeting with the East German leader, Herr Erich Honecker, around the turn of the yesr. Both the Bavarisn leader, Herr *Franz Josef Strauss*, and the SPD chairman, Herr Willy Brandt, are also expected to meet Herr Honecker shorlly.

**Background, Page 2**

# Sinclair to halve price of QL

BY JASON CRISP

THE HOME COMPUTER price war was stapped up dramatically yesterday as the troubled Sinclair Research moved to cut the price of its top model, the QL, from £399 to £199.95.

The move came as hopes rose of agreement this weekend between the company and its main creditors and hankers. Sinclair Research ran into severe cashflow problems earlier this year because of high stocks of unsold home computers, inclnding the QL.

Since the collapse two weeks ago of a £12m rescue by Mr Robert Maxwell, publisher of the Mirror Group Newspapers, Sinclair Research has heen negotiating terms with its main creditors—Timex, Thorn EMI and A.B. Electronics—and *its* bankers, Barclays and Citihank.

The QL price cut, effective from September 2, follows the launch this week of an aggressively priced word-processing compnter from Amstrad, tha consumer electronics group.

The Amstrad machine is aimed at business and tha top of the home market, although it does not play games. It includes disk drive, monitor and printer for *£399 plus VAT. Sinclair's* QL was launched with a fanfare in February lsst year as a *powerful* computer aimed at the top end of the home market.

It was also aimed at the education and, to some extent, business markets.

Sales—estimated at 60,000—are substantially less than predicted. The product was delivered late and it took many months to sort out several quite serious problems.

The QL move will intensify the price war for homa computers as the companies face their most uncertain Christmas season in the product's short life.

Sales in the first *half* of the year are down 25 per cent according to AGB, the market research company. *It also says that* second-hand sales represent 11 per cent of the market. Wood Mackenzie, the stockbroker, estimatea that demand could fall to as few as 1m units this year.

With average unit *prices also* dropping, the value of home computer sales may fall from about £315m last year to below £220m *in* 1985, it adds.

The latest price-cutting round includes heavy discounting of the Commodore 16 *and a £40-£50* cut for Amstrad's conventional home computers. It follows an earlier round *of* cuts on the more basic machines in January by Sinclair and Acorn—both from high stock levels after a poor Christmas.

Tha three months up to Christmas is the key selling period for home computers, accounting for more than *half* the year's total sales. Although Sinclair's share has slipped, it is still the largest vendor in the UK measured by units, with over 35 per cent of the market.

The U.S. owned Commodore has over 25 per cent, followed by Acorn with about 20 per cent, according to trade sources. Although Amstrad has only 8 per cent of the market measured by units, it is seen as one of the more commercially success*ful operations.*

## CONTENTS



### Manchester air disaster

# U.S. air authority was checking engine safety

BY LYNTON McLAIN IN LONDON AND TERRY DODSWORTH IN NEW YORK

THE fire in which 54 lost their lives aboard a British Airtours Boeing 737 airliner at Manchester airport on Thursday is believed to have been caused by a part of the combustion chamber which apparently flew off the engine, puncturing a wing and igniting the fuel tanks with its heat. The U.S. Federal Aviation Administration said in Washington yesterday it had been told this by Pratt & Whitney, manufacturers of the engine.

This is the clearest indication so far that the cause lay with a part of the engine other than a failed turbine disc, which was initially thought to have caused the crash.

There was an explosion in the port engine of the airliner as it neared the point of take-off, followed by a second large explosion as it slewed to a halt. The second explosion was thought by observers at the airport to have been caused hy fuel from ruptured tanks or fuel lines igniting.

The Civil Aviation Authority, which oversees aviation safety in the UK said after receiving formal advice from the Department of Trades Accident Investigation Branch that the AIB did not suspect the turbine discs were the cause of the accident.

These initial conclusions have been reached in spite of a history of problems with failed turhine discs on the Pratt & Whitney JT8D engine nsed to power the Boeing 737-200.

Seven engines have suffered failed turbine discs, and tha company has been studying the problem since early 1981, when a Brazilian Cruziero Air airliner crashed with a corroded turbine disc.

Most of these failures were during take-off and the aircraft stopped at the end of the runway. There were no crashes and no fatalities, but some aircraft caught fire.

In July, the U.S. Federal Aviation Administration ordered the comoany to carry out a safety check of the engines in the height of the turbine *disc* failures.

The report was requested by the U.S. National Transportation Safety oBard, the equivalent of the UK Accidents Investigation Branch. Pratt & Whitney said yesterday it would "not necessarily tell airliners about this."

The FAA said yesterday: "Pratt & Whitney finished the review just a day or so ago and will present us with their findings next week. Once we have seen the data we will know bow to proceed."

"There is no question at the moment of grounding aircraft that are equipped *with the engine.*"

The National Transportation Safety Board recommended the survey after a fire hroke out in one of the engines of a Saudi Arabian airliner in Qatar in May. The aim was to find out how many aircraft throughout the world had had their engines modified.

"Other national airline safety authorities would have heen fully aware of the situation in the U.S.," the FAA said yesterday, "because copies of all directives are automatically mailed to countries operating aircraft or engines involved in its safety recommendations."

The UK Civil Aviation Authority said last night it was aware of the review by Pratt & Whitney, but insisted that at this stage it required "no action by UK airlines and it is not necessary for the airlines to know about the review."

British Airways, British Airtours' parent, said it was not told of any investigation ordered by the FAA.

"British Airways and its subsidiary, British Airtours, received no notification that the U.S. Federal Aviation Administration had asked Pratt & Whitney *to carry* out *examinations* into the Pratt & Whitney JT8D engine," the airline said yester*day.*

"The FAA and Pratt & Whitney investigation was not notified *to us; neither had* we been notified of any results of the investigation by Pratt & Whitney, that *from Pratt & Whitney.*
We are seeking a clarification of

"Neither had British Airways been told of any specified problems that might have related to the engines."

Pratt & Whitney said last night: "It does not appear that failure of a second-stage turbine disc was a coutributory cause of the crash at Manchester."

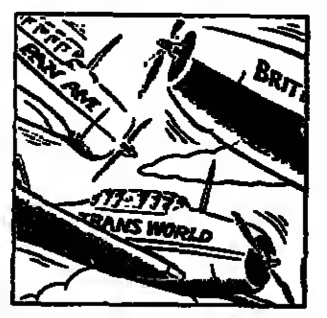
"Based on a visual inspection of the engine of the British Airtours Boeing 747 by Pratt & Whitney enigneers, there is no indication of disc failure or any rotating parts failure on the engine."

UK holiday charter airlines, including British Airtours, continued to operate their fleets of Boeing 737 airliners normally.

The airlines include Britannia Airways, with 27 Boeing 737s, and Orion Airways with five Boeing 737-200 and four 737-300.

**Continued on Back Page**
**Donbts on aircraft safety, Page 3**

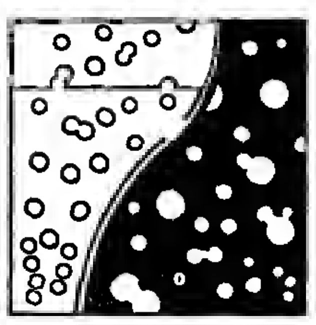
## WEEKEND FT




**LAKER**

*Sir Freddie Laker's Skytrain collapsed in 1982 but the ghost lingered on. Duncan Campbell-Smith tells how it was laid to rest.*

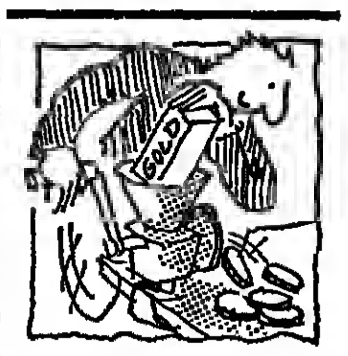
**Page I**



**DIVERSIONS**

*Sales of bottled water have quadrupled in five years. We look at the marketing miracle that turned the water into wine.*

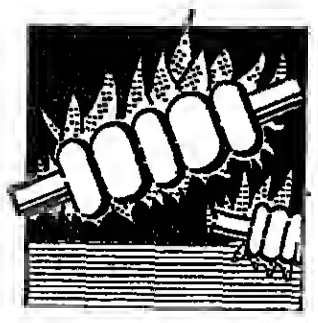
**Page IX**




**GOLD COINS**

*As politics close in on the Krugerrand, so also do its rivals*

**Page V**



**CRICKET**

*Will swinging England win the Ashes? Trevor Bailey reports.*

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# OVERSEAS NEWS

**Jonathan Carr** in Bonn assesses the political and intelligence impact of W. Germany's latest espionage scandal

# The master spies who slipped through Nato's 'leaky sieve'

WEST GERMANY'S latest spy scandal is being widely described here as "probably" the worst in the country's 36-year history. On the face of it that label does not seem far-fetched. Herr Hans-Joachim Tiedge, a senior official of the counter-intelligence service with special responsibility for unmasking East German agents in the Federal Republic, has turned up in East Berlin seeking political asylum.

Herr Tiedge, aged 48, worked for 19 years for the Federal Office for the Protection of the Constitution (BFV), the counter-intelligence agency.

He could have betrayed a mass of valuable information to the East, not least endangering Western agents (not just German) in Communist countries. The affair could have serious political consequences in West Germany, as well as for ties between the two German states.

Some cautionary points are worth making. The first is that there are several contenders for the title of West Germany's "worst spy scandal."

Herr Hans Joacbin Tiedge: W. German spy hunter who defeceled

One dates from the early post-War period and involved Herr Otto John, the first head of the BFV. He turned up in East Berlin, was interrogated for months by the Russians and re-emerged in the West saying he had been drugged and driven East.

Then there was the case of Herr Guenter Guillaume, the East German spy in Herr Willy Brandt's Chancellery, who, among other things, had access to top secret Nato documents. His arrest in early 1974 was the immediate reason for Herr Brandt's resignation as government leader.

There have been hundreds of other spy cases, many involving the secretaries or personal assistants of Bonn politicians, both in and out of government.

The latest scandal broke three weeks ago when Frau Sonja Lueneburg, long-time personal aide to Economics Minister Martin Bangemann, vanished. Since then a hunt has been launched for two other suspected spies, although no direct connection between the previous suspects and Herr Tiedge has been established.

Not for nothing has West Germany been repeatedly termed Nato's "leaky sieve" by Western intelligence experts.

Partly that is a technical criticism — of an apparent lack of co-ordination, and even rivalry, between the country's intelligence service (based in Bavaria) and the Cologne-based counter-intelligence agency.

> The number of East German agents, including the 'little fish' delivering titbits of information to East Berlin is put in the thousands

But it also shows an almost resigned recognition that the Federal Republic, as one half of a divided nation, is wide open to infiltration from the East. The number of East German agents here, including the "little fish" delivering titbits of information to East Berlin—is put at thousands.

The Bonn Government does not want to hold back the stream of refugees from the East (40,000 last year alone) among whom East Berlin can easily infiltrate agents. The essence of Bonn's "Ostpolitik" is to see that still more East Germans who wish to come to the West may do so.

There have been improvements in the Federal Republic's security procedures, such as tougher screening for those taking sensitive jobs, but it is widely accepted that even a system of police severity could adequately deal with the East German spy problem.

What are the consequences of the Tiedge affair likely to be? First, heads will probably roll at the BFV although ironically, Western intelligence experts have given this agency better marks generally in recent years.

The security services (not only in West Germany) want to know whether Herr Tiedge was working for East Berlin for most of his time at the BFV, of whether he was recently recruited. There is some evidence to suggest the latter—including Herr Tiedge's deep depression following the death of his wife, and signs that he was in need of money. If this is substantiated the damage may be less than first feared.

Donble dealers: Herr Gunter Guillaume and his wife Christel after being sentenced to 13 and 8 years respectively in 1974 for spying for East Germany

Second, the affairs could bring accusations of inefficiency against the Government from the Opposition. But the charge will be hard to make stick, not least because of memories of the Guillaume affair when the Social Democrats were in power themselves.

Third, and most important, the affair might bring a new freeze in inter-German relations, just when a few new steps forward seemed in the offing. It is understood that an inter-German summit meeting between Chancellor Helmut Kohl and the East German leader, Herr Erich Honecker, might take place at the turn of the year.

One key condition is that the November meeting between President Ronald Reagan and the Soviet leader Mikhail Gorbachev does something to improve the strained relations between the superpowers, thus giving the two German states more room for manoeuvre.

Some elements on the right of Herr Kohl's coalition are not keen on closer ties with East Germany. They may gain some ammunition from the latest affair, but they are unlikely to determine events. Developments over more than a decade have shown that however loud the rhetoric, a freeze in inter-German relations rarely lasts long.

## Contadora widens support for peace bid

By Robert Graham

LEADING LATIN American countries are this weekend expected to throw their moral weight behind the flagging Contadora initiative to end the conflict in Central America.

Meeting in the Colombia Caribbean port of Cartagena, Foreign Ministers of the four-nation group are today being joined for the first time by their colleagues from Argentina, Brazil, Peru and Uruguay in an effort to find ways of sustaining the initiative launched in January 1983.

The Contadora group of Colombia, Mexico, Panama and Venezuela, was set up to establish a binding peace treaty in Central America.

Draft texts of the treaty have been circulating for almost a year; but the fundamental sticking point—suspicion of the Sandinista Government in Nicaragua by its U.S.-backed neighbours, Costa Rica, Honduras and El Salvadore—remains.

The Contadora plan has seemed close to being scuttled several times this year because of mounting hostility between Nicaragua and its neighbours.

At the group's last meeting in June in Panama with the five countries of Central America, Nicaragua walked out maintaining there was no point in discussing the treaty so long as regional tensions were escalating.

Nicaragua said it was inappropriate to discuss peace plans so long as the U.S. maintained its trade embargo and financed the anti-Sandinista contra rebel groups. The presence of these groups in turn justified Nicaragua's large military establishment, which its neighbours insist is disproportionately big.

With increased fighting inside Nicaragua and deteriorating border relations with previously neutral Costa Rica, Latin American governments have become more concerned about the implications for instability in Central America.

Until now the Contadora group has, however, resisted bringing in more countries for fear of complicating the negotiating process.

The move for wider Latin American backing has come from the young newly-elected Peruvian President Alan Garcia. At his swearing in last month he urged greater Latin American solidarity and blamed the U.S. for interfering in Central America.

He is understood to have stressed the need for the new continents democracies to demonstrate to Washington that the Contadora peace process was a viable means of resolving conflict in Central America.

The Reagan Administration has given only token support to Contadora, and the renewal of funding in the contra rebels three months ago was seen in private by the President of the group as a further step away from peaceful solutions in Central America.

## Union Carbide chief says errors in procedures caused gas leak

BY WILLIAM HALL IN NEW YORK

UNION CARBIDE, the big U.S. chemicals company, yesterday admitted that there had been several violations of management and operational procedures at its plant in Institute, West Virginia, which resulted in 135 local people being hospitalised after an accidental emission of toxic gas.

Mr Bob Kennedy, president of Union Carbide Corporation Chemicals and Plastics, yesterday released the first details of the company's own investigation into the "serious incident" at Institute on August 12.

An estimated 2,800 lb of aldicarb oxime decomposition products, approximately 700 lb of dichloromethane (methylene chloride) and 300 lb of residue that had been attached to the inside of the vent pipe header were released into the atmosphere.

While the company stressed yet again that the gas leak was "by no means life threatening" it admitted that there had been several instances when standard operating procedures had not been followed in the 11-day-long chain of events culminating in the gas leak.

"Union Carbide has a problem. Union Carbide will clean up its act," said Mr Kennedy yesterday, who admitted that despite an extensive review of the company's worldwide facilities following last year's disaster at the Bhopal plant of its Indian affiliate, Union Carbide's plants have a worse record for gas leaks and emissions than he would like.

He said that the company had already earmarked an additional $50m (£35m) to clean up its act — money which would probably not have been spent before the Bhopal accident. "In the weeks and months ahead the record will show that the emissions and pounds of material released from our plants everywhere will have been consistently and dramatically reduced," said Mr Kennedy at a Press conference in Institute.

## CIA accused in 'spy dust' row

BY OUR MOSCOW CORRESPONDENT

THE Central Intelligence Agency of the U.S. was accused yesterday of being the architect of the row between Washington and Moscow over the alleged use by the Russians of "spy dust" to track Americans living in the Soviet capital.

The accusation was made by Izvestia, the official government newspaper, which said the CIA was hiding the truth. The substance was simply a widely used household chemical and not a cancer-causing agent as claimed by Washington earlier this week, the paper said.

An article in the daily newspapers said the U.S. claims could have a bad effect on relations, as previous allegations of KGB security police activities had.

Washington sticks to its story that the KGB used miniscule amounts of nitro phenyl pentadin (NPPD), a chemical which could cause cancer if applied in large doses, to mark embassy staff and keep track of them as they moved around the Soviet capital.

Izvestia said the CIA cooked up the scheme because "someone in the U.S." did not want to see superpower relations improve, in the run-up to the November summit meeting between President Reagan and Gorbachev, the Soviet leader, Mr Mikhail

U.S. officials had no proof the chemical was dangerous and had harmed a single embassy employee, Izvestia said, adding: "All the more so since the substance American representatives allude to is in wide household use across the world."

The newspaper did not say in what form the chemical was used domestically.

## Dutch may join helicopter venture

BY LAURA RAUN IN AMSTERDAM

THE DUTCH Defence Ministry said yesterday that it may participate in an Italian-British project to develop a new anti-tank version of the Italian A-129 Mongoose helicopter.

Such a partnership, if it goes ahead, would tie in Fokker, the Dutch aerospace company, with Agusta of Italy and Westland of the UK.

But Ministry officials emphasised that it is also considering a competing Franco-German helicopter being developed by Aerospatiale of France and MBB of West Germany.

It will recommend its choice to Parliament in October, a Ministry spokesman said.

The Dutch company probably would provide the air frame system. In the past Fokker assembled parts for the Alouette III, a helicopter that along with the MRB Bo-105C comprises the Dutch air force's 100-strong helicopter fleet.

The air force argues that it badly needs new craft to replace the 20-year-old Alouette III.

Michael Donne, Aerospace Correspondent adds: Plans for the UK and Italian companies to discuss a new venture were revealed earlier this year, in a Westland-Agusta Memorandum of Understanding.

Envisaged is a multi-billion dollar programme to produce an anti-tank helicopter to meet the needs of the armies of the UK and Italy over the next 10 to 20 years.

For some time, both the UK and Italian companies have been seeking to widen the scope of their collaboration which could involve the Dutch.

## Spending plans split Brazilian Government

By Andrew Whitley in Rio de Janeiro

OPEN warfare has broken out among Brazil's economic authorities with a fierce attack by the Finance Ministry on the profligate course it says is being taken by the Sarney Government.

The attack, highlighted in a speech to bankers this week, by Sr Sebastiao Marcos Vital, the acting Finance Minister, co-incides with evidence that inflation is once again on an upward curb. The monthly inflation rate is expected to be back in double digits in August for the first time since the Government took office in March and looks set to stay in the 11-12 per cent range over the coming months.

Evidence that a consumer demand-led "mini boom" is under way is, meanwhile, accumulating fast. Between January and July retail sales in San Paulo by far the most important market in the country grew by 60 per cent—fuelled by salary levels running considerably above inflation.

According to the powerful Sao Paulo Industries Federation (FIESP) there has been an acceleration in the rate of growth of salaries in recent months. In June the Sao Paolo industrial wage bill was up in real terms by nearly 30 per cent, compared with a year earlier.

Frustrated by its waning influence in the Sarney Government, the Finance Ministry appears to have thrown caution to the winds, and gone out onto the attack in public. Without naming his opponents—although it was clear he was referring to the rival Planning Ministry—Sr Vital said this week: "It is mistaken to think the deficit will go down because they are not thinking about tomorrow.

"The Finance Ministry has exhausted its participation in an attempt to correct the economy," he was reported yesterday to have told a group of top private bankers.

Support for Sr Vital came on Thursday from the Central Bank which is formally subordinate to the Finance Ministry.

## Israeli party clash threatens coalition

BY WALTER ELLIS IN TEL AVIV

ISRAEL'S TROUBLED national unity Government has been shaken by the fiercest exchanges yet, between Mr Shimon Peres, the Labour Prime Minister, and leaders of the right-wing Likud.

Mr Peres has demanded that the Likud should clarify its position about remaining in the Government.

The Premier was particularly incensed by a remark made this week by Mr Ariel Sharon, the Likud Trade Minister and former Defence Minister to the effect that Labour was carrying out the former British Mandates "White Paper" policy in the West Bank of forbidding land purchases by Jews.

Mr Yitzhak Shamir, the Foreign Minister and leader of the Likud, agreed yesterday with Mr Peres that the insults must stop. He, however, is the foremost Labour critic. In a speech on Thursday night, he said that "Labour and the Likud are not merely rivals through a difference of opinion, but are separated by a broad gaping gulf."

Labour, he went on, was ready to "ditch" the territories of Judea and Samaria (the West Bank) "and was guilty of 'collaborating' with Egypt." As a result the Likud had to choose between remaining in the present coalition or calling for early elections.

Mr Sharon has made his position clear. Labour he said, "has lost all of the values which once guided it and is now left without any values whatsoever." Mr Shamir would scarcely demur from this viewpoint but feels Likud should remain in the Government "for the time being" rather than "leave the running of Israel in Labour's hands."

Mr Shamir is scheduled to take over the premiership from Mr Peres in 18 months time under the terms of the rotation agreement reached after the last inconclusive general election. Speculation now, is that the switch may prove impossible, and that Israel will have to return to the polls first.

Mr Yitzhak Rabin, the former Labour Prime Minister and now Defence Minister, has meanwhile sought to cool the political temperature. In an interview published yesterday he said that neither Likud nor Labour could at present expect to form a narrowly based government. Nor he said was there a majority in the Knesset for early elections even if one of the two major parties decided to quit the coalition.

## Libya may use force, warn Tunisian officials

THE Libyan Government of Col Muammar Gadaffi has threatened to use "military force" against Tunisia to silence an anti-Libyan campaign in the Tunisian Press, government officials said yesterday, AP reports from Tunis.

The officials said a senior member of the Libyan "people's committee" (ministry) for foreign affairs formally notified the Tunisian embassy in Tripoli of the threat on Thursday.

He said unless Tunis took effective measures to stop the Press campaign against the expulsion of thousands of Tunisians from Libya, the Libyan authorities "may be compelled to take action including the possible use of military force."

Tunisia's relatively small 28,500-man army was placed on alert earlier this month after Libya began expelling some of the estimated 100,000 Tunisian residents, allegedly because they refused to be naturalised as "Libyan Arabs." Egyptians and other foreign residents were being expelled from Libya for the same reason.

Tunisian officials said that by Thursday evening the Libyans had forcibly taken 24,000 Tunisians to the border. The expulsions were continuing.

In retaliation, the Tunisians have expelled 253 Libyan residents, including 30 diplomats, allegedly for spying and "other undesirable activities."

Tunisia's 7m inhabitants suffer from extensive unemployment, and the Libyan expulsions seriously aggravate the country's economic problems.

## Sri Lanka extends state of emergency

SRI LANKA'S parliament yesterday extended a national state of emergency for another month after the Government warned that Tamil guerrillas were planning a major offensive, Reuter reports from Colombo.

Parliamentary Affairs Minister Vincent Perera said the Government was forced to keep security forces on alert against any "sudden and ruthless attacks" by guerrillas fighting to set up a Tamil state in the north and east.

"Considering the events of the last few day the indications are that the militants are getting ready for a major offensive before long," he said.

Parliament voted 124 to none to extend the emergency. Members of the opposition Freedom Party abstained and members of the Communist Party and the People's Party were absent.

Mr Perera's warning followed the collapse of peace talks in Bhutan's capital of Thimpu aimed at ending a bloody conflict between majority Sinhalese and minority Tamils.

K. K. Sharma in New Delhi adds: Mr Hector Jayewardene, brother of the Sri Lanka President who led his country's delegation at the adjourned Thimpu talks with Tamil militants, arrived in New Delhi yesterday and met Indian Prime Minister Rajiv Gandhi.

The Indians are trying hard to revive the stalled talks, and Mr Gandhi is believed to have urged Mr Jayewardene to take into account the Tamil demands for autonomy and respect the cease-fire in Sri Lanka.

The Thimpu talks were adjourned abruptly last week after reports of renewed attacks by the Sri Lanka army on Tamils in northern Sri Lanka.

Since then, Indian officials have held talks in Colombo with Sri Lanka representatives, and in Madras with leaders of the militant Tamil groups to persuade them to return to the negotiating table.

The main hurdle is that the Tamils feel the Sri Lanka Government is merely reviving proposals for devolution of power to the Tamil minority that they have already discarded.

## Opposition to Punjab poll

NATIONAL OPPOSITION leaders have questioned the advisability of holding elections in Punjab after the killing earlier this week of Sant Harchand Singh Longowal, the moderate Akali Sikh leader, by extremists and have urged Prime Minister Rajiv Gandhi not to hasten the democratic process amid violence and killings.

The leaders have expressed fears that an election campaign might provoke more hatred and retribution among extremists who are against the Punjab accord recently agreed by Mr Gandhi.

However, the Election Commission has announced that the elections would take place on September 25.

**Chris Sherwell** reports on a promotion to salvage a unique collection of Chinese mythological statues

# Singapore pins tourist hopes on Tiger Balm Gardens

THE advertisement's punch line is provocative: "A unique opportunity to go into business with some of the most infamous characters in Singapore." But then the proposal is unusual: to develop Haw Par Villa, otherwise known as Tiger Balm Gardens, one of Singapore's most bizarre — and most popular — tourist attractions.

The ad has appeared in the Financial Times, the Wall Street Journal and the International Herald Tribune, the world's three most important international business-oriented daily newspapers. Local entrepreneurs have already been wooed by the same ad in the Singapore press.

The plan is part of a drive by the Singapore Tourist Promotion Board to develop the island state's flagging tourist industry. Arrivals over the past three years have stagnated at just below the 3m level, while projections for this year are not encouraging, and concern has grown at the lack of new attractions to help pull visitors in.

Following the report of a high-level "Tourism Task Force" last year, there has been talk of developing a Disneyland-style park and of preserving parts of Chinatown and the Singapore River front. But the salvage operation for Haw Par Villa appears to have proceeded furthest down the road.

Built in the 1930s and overlooking the crowded waters of the Singapore Strait, the villa is a dense jumble of garishly-coloured and awkwardly-shaped statues which Westerners couldn't hope to see anywhere else and Asians are said to find reminiscent of traditional moralistic folk tales. These figures are the ad's "infamous characters."

The villa gets its name from the fabulously successful business group created at the turn of the century by two Chinese brothers, Aw Boon Haw and Aw Boon Par. Boon Haw, the elder brother (his name means literally "gentle tiger"), became known as the Tiger Balm King after their most lucrative product, Tiger Balm ointment, and nowadays there is a range of Tiger Brand and Kwan Loong (Double Lion) products.

That Haw Par Villa needs salvaging is indisputable. Chipped, peeling statues and cracked walkways indicate a state of disrepair only years of neglect could inflict. Tourists have left with no real idea of what they've seen: even the Task Force commented rudely that, "without any helpful interpretation, the whole attraction appears to be little more than someone's bad dream."

Statoe of the Chinese George and the Dragon

Until this year the principal problem was a dispute between the owners of the site, Haw Par Brothers Private Ltd., and the lessees, Haw Par Brothers International. In 1979 and 1984, the owners offered to donate the villa to the Government provided the lease was given up. The lessee, a public company with a 20-year lease to 1986 and an option to extend it, said shareholders would want compensation and offered a commercial joint venture with the tourist board instead. But the owners then insisted that no admission fee be charged.

Given this stalemate, the Task Force recommended the compulsory acquisition of the land and its two neighbouring lots—a total of 7.9 acres—its transferral to the tourist board and the appointment of an international consultant to draw up development plans. Within weeks it was done, and the consultant, Economic Research Associates of the U.S., produced a "baseline" study on Haw Par Villa's potential, its needs and basic costs of development.

The board's ad now invites "business and concept proposals" for its development into a Chinese Mythological Theme Park. Offering an initial lease for 20 years, it says the new lessee will have to restore and preserve the existing exhibits and provide for food and beverage outlets, souvenir shops, live entertainment theatre and night activities. To help, the consultant's study will be made available to respondents.

"We want someone to come in with capital and ideas," says Mrs Pamelia Tan, head of the board's product development division. "We've left open whether they do it themselves or form a partnership with us. Nothing is really ruled out."

On local press suggestions that the board wants a "hi-tech entertainment centre," Mrs Tan says the board is not pushing a specific idea but would welcome proposals to help make the static exhibits "come alive" through entertainment such as puppet or magic shows, story-telling and Chinese opera.

The board is currently spending about S$10,000 (£3,200) a month to maintain the site, and has already had to clear mounds of debris. It wants to improve walkways and signs, but we don't want to overdo things before the outcome of the tender is known," says Mrs Tan. It estimates that S$20m or more will be needed to transform the place into a quality attraction.

Whether it will all work is another matter. Although Haw Par Villa is third on the board's Top Ten list of tourist attractions, Singapore's main Sunday newspaper compiled its own "subjective" list of sights on the basis of its own inquiries last November: Tiger Balm Garden—along with the Bird Park, Chinese Garden, Japanese Garden and other attractions—failed to make the grade, while Little India, the mainly Tamil commercial area, even edged out Chinatown for the top spot.

The paper pointed out that tourists like "people-oriented attractions," which no doubt explained why Raffles Hotel was on its list but not the board's. The moral, however, is encouraging: though tiny Singapore may be as dull as many modern cities, it has more places of interest or pleasure than even its residents may imagine.

## Lima announces austerity drive

Peru's newly elected President Alan Garcia Perez has announced several austerity measures, including the dismissal of one-third of high-ranking executives in state-owned enterprises, AP reports from Lima.

Sr Garcia also announced on Thursday the sale of "unnecessary" official vehicles and a freeze of all new appointments in the civil service. The 36-year-old Social Democrat said the measures would save the Government funds it needs to create new jobs and improve public health.

In a speech from the House of Government's balcony, the President said $2m had already been saved by reducing the number of employees at Peruvian embassies throughout the world.



FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

# OVERSEAS NEWS

## Six protesters shot dead by S. African police

BY MICHAEL HOLMAN IN JOHANNESBURG

AT LEAST six people are reported to have been killed on Thursday and over 20 injured when police opened fire on demonstrators at Aliwal North, 350 miles south of Johannesburg, in one of the worst incidents of violence since South Africa's state of emergency was declared just over a month ago.

The death toll since the proclamation on July 20 now exceeds 130 and nearly 650 people, all but two blacks, have died in the violence of the past 11 months.

A police spokesman said yesterday that police had opened fire on "rioters" in the town, which has been hit by consumer boycott of white-owned stores, student boycott of classes and attacks on homes of blacks accused of "collaborating" with the Government.

In Johannesburg's black township of Soweto yesterday police continued a major operation apparently designed to end a spreading boycott of schools and force students back to the classroom.

Some 300 schoolchildren, some said to be as young as seven, were reported to have been arrested on Thursday and held in police stations overnight. They were released yesterday after being charged with breaking the emergency rules. A further 500 students were arrested yesterday and were driven off in military trucks under armed guard.

The Soweto chief of police, Brig Jan Coetzee, is quoted in yesterday's edition of the local paper, the Sowetan, as saying that the authorities would not allow "five thousand stupid students to disregard law and order in Soweto and in South Africa."

"We are cracking down," he is quoted as saying, "we are going to bring the school situation back to normal."

Civic leaders and community workers fear, however, that no early end is in sight to a phenomenon which illustrates the depth of black frustrations. The children are declaring that they will not return to school until their fellow students are released, while the police appear determined to crack down on dissent.

Groups of students have frequently been dispersed by police wielding sjamboks (leather whips) and parents have complained about police treatment of children in custody.

In Cape Town, prospects of a major confrontation between anti-apartheid demonstrators and the state came closer when Rev Allan Boesak, patron of the United Democratic Front (UDF), announced that a mass march to demand the release of Mr Nelson Mandela, the detained nationalist leader, would take place in the city next Wednesday.

Speaking at a press conference yesterday Dr Boesak said that organisers planned for "thousands of people" to march on Pollsmoor Prison where Mr Mandela, leader of the banned African National Congress (ANC), is held.

The UDF, which is backing the call, is the country's largest legal opposition.

Chief Gatsha Buthelezi, Chief Minister of Kwazulu and leader of the 900,000 strong Zulu-based Inkatha Movement again added his support to call for the release of Mr Mandela. Speaking in Johannesburg yesterday on return from a visit to Israel, Chief Buthelezi said that Mr Mandela should be released "in spite of his talk that violence was the only alternative."

## Right-wing in U.S. split over apartheid

By Reginald Dale, U.S. Editor in Washington

THE U.S. debate over South African sanctions has created a deep rift among American conservatives, who are becoming increasingly bitterly divided over how to cope with apartheid and whether or not to apply pressure to the Pretoria Government.

The divisions have been brought into sharp focus by the controversial figure of the Rev Jerry Falwell, leader of the right-wing fundamentalist Moral Majority movement, and a friend of President Ronald Reagan.

Mr Falwell provoked an outcry this week by denouncing South Africa's religious leader Bishop Desmond Tutu as a "phoney" and suggesting that the country's blacks were really behind the Botha Government's proposed reforms.

With his highly publicised remarks, Mr Falwell has set himself up as a leader of the right-wing fection that is now hard at work to head off sanctions and rally support for Mr Botha. In doing so, he has embarrassed the Reagan Administration, which has taken a more guarded line.

It is not just black leaders who have denounced Mr Falwell. On Thursday a group of 15 moderate Republican members of the House of Representatives and two senators condemned Mr Falwell and reaffirmed that they would fight the campaign to block sanctions in Congress.

The group's leader, Mr Stewart McKinney of Connecticut, said that Mr Falwell "cannot be allowed to speak for America" and that it was an "abomination" to clothe apartheid in the robe of Christianity. Moderate republicans, and many of the younger conservatives, believe that if their party is to become the country's majority political movement, it must use the apartheid debate to demonstrate that it totally disassociates itself from racism.

The Republican split has now penetrated the White House where the right-wing Mr Patrick Buchanan, the Communications Director, is reported to have fallen out on the issue with the more middle-of-the-road Mr Rober McFarlane, the National Security Adviser.

The moderates now fear that the die-hards will launch a major campaign for popular support designed to sustain a presidential veto of sanctions in Congress in the coming weeks. If the vote were taken today, Mr McKinney says, there is no doubt that a veto would be overridden in both houses.

The right-wingers are particularly angry with Mr Jack Kemp, the New York congressman regarded as a potential right-wing presidential candidate in 1988, for betraying the conservative cause by backing sanctions.

Yesterday Mr Falwell clarified his position by offering his apologies if Bishop Tutu had taken his use of the word "phoney" as "impugning" you as a person or minister." "I was impugning the fact that you, sir, do not speak for the South Africans any more then I speak for all Americans," he said.

## EEC in bid to reconcile differences on sanctions

BY PAUL CHEESERIGHT IN LUXEMBOURG

SENIOR officials from the 10 EEC countries, joined by their Ambassadors in Pretoria, met here yesterday to thrash out the Community's joint position on South Africa following its recent call for a lifting of the state of emergency there.

There appeared only narrow scope, however, for reconciling the views of countries which favour economic sanctions against Pretoria, like France and the Netherlands, and those who strongly oppose them, like Britain and West Germany.

The EEC ambassadors were recalled from South Africa specifically for the purpose of giving advice to the political directors of the member states at their two-day meeting here. Britain was represented by Mr Michael Jenkins, Assistant Under-Secretary at the Foreign and Commonwealth Office and Mr Patrick Moberly, the British Ambassador to South Africa.

The main object of the meeting is to prepare the visit to South Africa of an EEC foreign Ministers' mission. This will be headed by Mr Jacques Poos of Luxembourg, currently the EEC President. He will be accompanied by colleagues from Italy and the Netherlands. They go at the end of the month.

But the fact finding mission of the foreign ministers hides deep divisions within the EEC —divisions that the officials in Luxembourg are seeking to heal.

France has sponsored a UN sanctions resolution and frozen investment in South Africa while the Netherlands is threatening to impose sanctions on its own account if the EEC cannot do it together.

Germany and the UK believe sanctions would be counter-productive and damaging to the black population.

Positions along these lines were taken up and publicised before the EEC could work out a common view.

The European Commission has warned South Africa that sanctions are inevitable unless there are rapid changes in the aparthied system.



## Dublin may shut state-run steel plant

By Our Dublin Correspondent

THE IRISH Government is planning to shut down the state-owned Irish Steel plant in Cork next week unless agreement can be reached with the unions on redundancy and work practices.

Yesterday the unions rejected a suggestion by Mr John Bruton, the Industry Minister, that they should re-ballot their members following the narrow rejection of company proposals.

The company is seeking 115 redundancies among the 650 workers and an end to restrictive practices.

After the rejection Mr Bruton said the government was considering how the company, which is Ireland's only steel plant, should be wound up. However, there are still hopes that some compromise can be reached which will avert closure and the loss of almost 1,000 jobs directly or indirectly.

Irish Steel has received almost I£200m (£162m) in various forms of state aid but continues to make heavy losses. A further injection of I£39m was made last year but the company needs another I£6m to stay in business.

EEC approval will be needed for further state aid and the Commission will want some assurances that the company has hopes of eventually being profitable.

Closure of the plant would be another heavy blow for Cork where 3,000 jobs have been lost in the last two years through closures of major plants by Ford and Dunlop and the loss of the local shipyard.

Mr Bruton said Irish Steel has been looking for a joint venture partner in recent months.

# UK NEWS

Michael Donne on questions prompted by the Manchester air disaster

## Doubts resurface on aircraft safety

THE British Airtours Boeing 737 accident at Manchester in which 54 passengers died trapped in the aircraft's blazing wreckage has prompted again an often-voiced question. Are holiday tour aircraft, and some scheduled flights, becoming too overloaded for safety?

Some tour operators' profits have already been hit by the early slump in holiday bookings this year and the subsequent price wars, and they may be hurt even more. A corollary may be e desire to increase rather than decrease aircraft passenger-loads.

There can be hardly a package holiday-maker who does not already complain about the quality of his seat—too narrow, too small e "pitch" (the distance from the seat in front) and three-abreast on either side of a narrow aisle which makes it almost impossible for window-seat passengers to leave to go to the lavatory let alone to escape in emergency.

Added to this many passengers' habit of carrying too much hand-baggage into cabins. This problem involves not only holidaymakers with duty-free goods but scheduled passengers with an astonishing assortment of objects.

Much of this detritus is not stowable in the overhead bins, which are often too small on some tour aircraft. It is put under seats. There it slides about and becomes entangled with people's feet, adding to the virtual impossibility of movement.

The Civil Aviation Authority has ruled that UK airlines should insist on only one piece of baggage being allowed in the cabin for each passenger. This, however, does not appear to be rigorously enforced. On many U.S. internal flights aircraft carry special compartments in which all such objects, labelled, are stowed.

More important is seating configuration, the distribution of seats. The manufacturers' design for the Boeing 737-200 of the type which crashed at Manchester is basically for up to 115 seats. The Manchester jet had 130 seats.

I have flown on a UK airline's for 188 seats but had 228. Boeing 737 which was offered initially by the manufacturer

It is a question not only of basic comfort but also of safety. Had anything untoward occurred with that 757 some passengers might not have been able to escape.

The problem of over-design for seating on aircraft basically intended for smaller loads has been growing. Even the producers join in, with notions of so-called high-density configurations designed to woo an economically-strained air transport industry with dreams of maximised profits.

Indeed, it could be argued that the search for maximum profits at the lowest possible price per passenger has begun to overtake elementary safety considerations. Clearly passengers must take some blame. They went cheap rates, though they complain about comfort returned for their money.

The result appears to be declining comfort and an increasing threat to safety standards.

The Civil Aviation Authority is under pressure to take another long, hard look at the way things are going, and perhaps to conduct its own inquiry, to solicit the views of all concerned on this issue but especially those of the travelling public.

The aim would be to see if some amendments to current regulations are needed. The results might be lower seating configurations, concomitant with greater safety. It might put up prices. Many passengers, however, might be willing to pay the cost.

The Boeing 737-200 ablaze at Manchester Airport on Thursday

## Directors leave Grandmet subsidiary

By David Thomas

MOST of the board of Compass Services UK, the contract catering subsidiary of Grand Metropolitan, have left the company in the past few weeks or are to go by the end of the year.

The senior executives involved include Mr Martin Clayton, financial director; Mr Tony Werd-Lewis, director of vending; Mr Peter Smale, marketing director; Mr Tony Coles, operations director; Mrs Victoria Connolly, personnel director; Mr Mike Taylor, divisional director for the Midlands; and Mr Kevin Birmingham, divisional director for the South.

Compass Services, which has 18,000 employees, is one of the three biggest contract caterers in the country, and has recently diversified into cleaning and security services. Compass also recently won its first catering contract under the Government's privatisation programme for the health service.

The latest moves follow the appointment of a new managing director, Mr Richard Dick son, in June.

One of the executives affected by the changes said last night: "We disagree fundamentally with the new strategy. The company is now going for meteoric profit growth."

Grand Metropolitan and Compass refused to comment, but said they would be making a statement early in September.

## Members issue writ on Lloyd's

BY JOHN MOORE, CITY CORRESPONDENT

A GROUP of insurance underwriting members of Lloyd's are engaged in a legal dispute with market officials over losses on three syndicates once managed by Oakeley Vaughan agency interests.

Lloyd's confirmed yesterday that it had been issued with a writ in the last week by the underwriting members, who are also taking legal action against Oakeley Vaughan. Lloyd's said that it would be defending the action. Oakeley Vaughan is also expected to fight the dispute with the group.

The row has erupted over the operation of three insurance syndicates, once managed by Oakeley Vaughan, numbered 420, 862, and 551.

Syndicate 420, formed of underwriting members, who include sports personalities Mr Henry Cooper and Mr Lester Piggott, faces losses running into millions of pounds. According to figures published this week by Chatset, a company run by Lloyd's syndicates, losses in the latest completed underwriting account are running at £17,000 for every £10,000 of business accepted. Underwriting members have claimed that the syndicate accepted more business than it was allowed to under Lloyd's financial limits.

Syndicate 862, which specialised in aviation insurance business, has faced other large losses and had difficulty in recovering money from reinsurers with which it had laid off part of its risks. The syndicate has also been the subject of an investigation by Lloyd's into its relationship with the Lloyd's broking company of Oakeley Vaughan.

Syndicate 551 has been hit by a wave of losses arising from the insurance of U.S. city authorities for claims against police officers for false arrest. Underwriting members are facing losses of £11,626 for every £10,000 of business accepted.

## Prospect of union action at BBC recedes

By David Thomas, Labour Staff

THE PROSPECT of more industrial action at the BBC over the banning of the Real Lives documentary and the vetting of corporation staff by the Security Service receded yesterday.

A one-hour meeting of BBC management, the National Union of Journalists and the Broadcasting Entertainment Trades Alliance agreed Real Lives should be shown. Timing of the screening, however, was left unclear.

Mr Peter Dodson, chairman of the NUJ Broadcasting Industrial Council, said the union would expect the documentary to be shown by mid-October.

There was no agreement by the two sides on vetting but the BBC agreed to prepare a ful report on the issue for a meeting with the unions within three weeks.

## Shell to drill new gas wells

SHELL UK has won government approval to develop the "N" area in the south-east sector of the North Sea Indefatigable field on behalf of a joint Shell/Esso venture.

The development will involve drilling two new wells and siting a satellite platform to recover an estimated additional 68bn cubic ft of gas.

Gas production will begin in October 1987. No financial details were given.

## Release of NHS car funds urged

HEALTH AUTHORITIES are being asked to release NHS money tied up in car loans to staff Mr John Patten, Under Secretary for Health, announced yesterday.

Mr Patten said: "One of the recommendations of the NHS Rayner Scrutiny on non-ambulance transport which we published last March was that staff car loans should be transferred to the private sector. It is clear that about £11.5m of NHS cash is used at present for car loans

## Posgate set to abandon rescue scheme

BY JOHN MOORE

MR IAN POSGATE, the former leading insurance underwriter of Alexander Howden, was poised last night to pull out of an ambitious plan by two Lloyd's underwriting members to salvage the underwriting affairs of Lloyd's members who face £130m of losses.

Mr Iain McClelland, a non-executive director of a Lloyd's underwriting agency, and Mr Richard Graham have been trying to set up a new underwriting agency to manage the affairs of a group of insurance syndicates once managed by Richard Beckett.

They intended to recruit an influential chairman from the business community and bring in Mr Posgate as the underwriter they hoped would unscramble the syndicates' trading problems.

However, Mr Posgate said yesterday he had only just become aware of past legal proceedings with which Mr McClelland had been involved. "I do not want to have any part in this scheme with the current set-up," Mr Posgate said last night.

Other underwriting members supporting the scheme said yesterday that Lloyd's establishment bad shown little interest in the plan and it was proving difficult to find suitable executives for Phoenix Underwriting Agencies, the name of the proposed new concern.

Earlier this week Sir Michael Edwardes, whose name had been canvassed by the two underwriting members as chairman of the new agency company, decided not to become involved in the scheme.

Within Lloyd's, underwriting professionals strongly oppose Mr Posgate's return to the market. Mr Posgate is currently suspended from working at Lloyd's until early next year following disciplinary action by the market's authorities.

## Benson and Hedges price to rise

THE PRICE of Benson and Hedges Special Filter cigarettes will go up by 2p for 20 on September 25, Gallaher Tobacco said. It will be increasing prices of most of its other cigarette and handrolling brands.

## DoE aims to ease small business planning curbs

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

SMALL BUSINESSES are told their applications for planning permission will usually be treated favourably, and local planning authorities are instructed to help them in getting permission, in two draft documents published by the Department of the Environment yesterday.

The Government had promised advice on planning control for small businesses in its White Paper—Lifting the Burden—on July 16.

The department's draft booklet, entitled The Small Firm and the Planners, aims to widen understanding of the planning system. It explains when planning permission is needed and how to get it.

In his introduction to the booklet, Mr Patrick Jenkin, Secretary of State for the Environment, emphasises that small businesses are vital to the life of Britain.

"They are proof that the spirit of enterprise and personal initiative lives and is growing in Britain," Mr Jenkin says.

In the accompanying circular for local authorities, Development by Small Businesses, planners are told: "There is a general presumption in favour of granting planning permission, unless it would cause demonstrable harm to interests of acknowledged importance."

Authorities are also told that many small businesses run from people's homes will not necessarily require planning permission.

Permission is unlikely to be involved where "the use of part of a house for business purposes does not change the overall character of its use as a residence," says the circular.

"The Secretary of State has held on appeal, for example, that a part-time hairdressing business, car hire business using a single car, or the showing of samples of furniture to potential purchasers did not involve a material change of use of a dwelling house requiring planning permission," it adds.

The use of a room as an office would also not normally require planning permission, it says.

Local authorities are reminded that new activities may be started in a commercial or industrial building without planning permission, and that they should take an approach "sympathetic to the needs of small businesses."

Drafts of the booklet and circular are being sent to local authorities and bodies representing small business interests for comment to be received by the beginning of October.

*Department of the Environment Draft Circular, Development by Small Business; and draft booklet, The Small Firm and the Planners, DoE, August 23, 1985.*

## Students' social security benefit to be restored

By Eric Short

MR TONY NEWTON, Minister of State for Social Security, yesterday announced action by the Government to protect the benefit entitlement of students who were having their social security benefits cut because they were receiving income from parents under covenant.

Many parents give financial assistance to children who are at university by means of a covenant guarenteeing payments over certain periods. This is a tax-efficient way of providing such help.

However, recent decisions by the independent adjudicating authorities at the Oxford office of the Department of Health and Social Security and proposals by the Chief Adjudicating Officer have resulted in reduced benefits because of the covenant payments.

This action led to representations being made by the two MPs for Oxford, Mr John Patten and Mr Steve Norris.

Mr Newton stated that the Government's intention was always to treat students in exactly the same way, however their parents choose to contribute to their educational costs. It believed the law allowed this, but the Chief Adjudicating Officer had come to a different view.

The Government now intends to amend the regulations to restore the previous intention.

## Drug company 'trades as usual'

BY TONY JACKSON

THE UK arm of A. H. Robins, manufacturer of the Dalkon Shield intra-uterine contraceptive, is to continue business as usual, the company said yesterday. Robins' U.S. parent filed for reorganisation under Chapter 11 of the U.S. bankruptcy code on Wednesday.

The Chapter 11 filing was largely prompted by litigation over the effects of the Dalkon Shield, which was withdrawn from the market 11 years ago. Robins in the U.S. has paid $378m (£269m) in awards and settlements to date, and has made provision for a further $489 against future settlements.

The filing, which has the effect of suspending all litigation for the time being, is being opposed by claimants in the U.S.

The Dalkon Shield was on the UK market between 1971 and 1974, and about 95,000 units were sold. Problems reported by UK doctors included increased risk of septic abortion, ectopic pregnancy and uterine perforation.

Mr Stumpf stressed that chapter 11 filing did not constitute bankruptcy in the sense understood in the UK. "We fully expect our trading here to proceed as normal," he said. "We generate our own cash, and have our own suppliers and customers."

Robins' UK operation has sales of about £12m a year, with 150 employees at its manufacturing plant at Horsham in Sussex and a further 80 elsewhere in the country. It sells anti-rheumatic, muscle relaxant and anti-histamine drugs for prescription, and cough and cold and skin-care products.

# August new car sales continue at high rate

BY JOHN GRIFFITHS

AUGUST new car sales are continuing at a high level, with 287,043 sold in the first 20 days, according to Society of Motor Manufacturers and Traders statistics. At the 10-day stage they were up 7.4 per cent on the corresponding period of 1983. By the end of 20 days they were up 20.88 per cent.

The industry is wondering whether, with manufacturers' incentive campaigns continuing, the 374,599 sales record set in 1983 will be exceeded. For this to happen about another 87,500 cars would have to be sold, slightly more than in the month's second 10-day period.

At the 20-day stage in 1983, however, about 300,000 cars had been sold, so the prospect of a record is appearing less likely.

Ford continues as the clear market leader, its share of sales in the first 20 days reaching 27.33 per cent. Austin Rover, facing a temporary shutdown next month and a cut in production schedules of about 10 per cent to reduce stocks, remained ahead of Vauxhall with a share of 16.72 per cent. Vauxhall's share was 15.56 per cent.

August is traditionally a month for private buyers, many of whom favour imports. The import share — including cars imported by such UK-based producers as Vauxhall — in the first 20 days stood at 59.64 per cent, unchanged from last year.

Volkswagen is doing best among traditional importers, with a share of 5.8 per cent.

# Specialist wheel maker expands export business

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GKN KENT ALLOYS, one of Britain's three remaining producers of car wheels, will double the level of its North American business with orders from Ford and Chrysler.

The UK company, which makes up-market aluminium alloy wheels, has won orders for stylised wheels for three new models to be introduced in 1986 and 1987. The orders will require total weekly output of more than 5,000 wheels.

Sales to the U.S. now account for about half of GKN Kent Alloy's turnover which last year reached about £18m.

In 1983 only 13 per cent of its sales were in the U.S., but a determined export drive by the company, which employs 475 at the Temple Manor Estate, Rochester, Kent, won orders from the Pontiac division of General Motors. The orders—for wheels for the Fiero and STE 6000 models—have been renewed for 1986.

GKN Kent Alloys expects exports to account for about 65 per cent of its output by the beginning of 1987.

# Vauxhall parts for U.S.

BY JOHN GRIFFITHS

VAUXHALL, clearly stung by criticisms over the level of UK content in its cars, yesterday disclosed that it British-based parts operations have concluded several car components contracts with manufacturers abroad. Two are with General Motors interests in the U.S.

AC Spark Plug at Kirkby, Liverpool, is to supply 120,000 units a year of an instrument cluster to be used in Pontiac J-cars. It is the first contract of its type for the Kirkby operation.

Delco Products, at Dunstable, is to supply the windscreen wash/wiper systems for the TVX car being produced jointly by General Motors and Toyota at Freemont, California. Saginaw Products, based at Hendon, is to provide tilt steering columns for a car to be produced by American Motors Corporation.

# Unit trust to specialise in West Germany

*By George Graham*

SPECIALISATION BY unit-trust managers is advancing with the launch of the first trust investing in West Germany only. The fund is being marketed by Brown Shipley, the London merchant bank. It will be managed by M. M. Warburg-Brinckmann, Wirtz & Company, a private banking group based in Hamburg.

Recently unit-trust groups have concentrated heavily on European investment. A dozen European funds have been launched this year, including two investing in smaller companies.

So far, however, unit-trust managers have chosen not to limit themselves to a single country, although an investment trust was launched this year focusing on German smaller-company investment.

West Germany is Europe's second-largest stockmarket, behind the UK, with a total market capitalisation of more than £100bn.

The new Brown Shipley German fund, to be offered towards the end of next month, is to be sold mainly through brokers, rather than directly to private investors as with most of Brown Shipley's best-known funds.

# Home Office to review S4C structure

THE HOME Office is to review arrangements for the Fourth Television Channel in Wales (S4C), Mr Giles Shaw, Minister of State at the Home Office, announced yesterday.

Mr Shaw pointed out that when the structure for the channel was set up in 1982, Lord Whitelaw, then Home Secretary, said it would apply for a trial period of three years.

"He also said that before any decision on reversion to a two-channel solution for Welsh language broadcasting, the Government would need to be satisfied that there was widespread demand for change, and that such a change would be in the interests of Wales.

Representations should be sent to the Under Secretary of State, Room 672, Broadcasting Department, Home Office, 50 Queen Anne's Gate, London, 1H 9AT, by October 3.

**David Churchill** on the outlook for dairy products

# A lean future for fat foods

BRITAIN'S dairy products industry—with annual retail sales of more than £5.5bn—is facing a troubled future because of consumer concern over healthy eating, according to a report published yesterday.

The report, from the Market Assessment company, says that for many sectors of the industry growth is "out of the question" and companies are unlikely to increase their market penetration "given the current adverse publicity."

However, Market Assessment believes "constant product innovations and technological improvements will keep the dairy products markets from total stagnation."

The main problem facing dairy products, according to the report, is consumer concern about the level of fat in foods and the link with obesity and heart disease.

A report from the Committee on Medical Aspects of Food Policy last year drew attention to the subject and is expected to lead to the inclusion of more information about fat content on the labels of most food products.

Within the dairy sector, the result of this publicity has been for consumers to substitute healthier alternatives for traditional foodstuffs, such as margarine for butter, cooking oil for fat, skimmed milk for full cream milk.

"Even this, however, has not prevented the slow decline of sales," says Market Assessment.

Food companies in this sector, which is dominated by groups such as Grand Metropolitan, the Milk Marketing Board, and Unilever, have responded by introducing new products low in fat or with no added sugar.

One of the most successful innovations has been the Shape range from St Ivel which includes low-fat cheese, milk, yoghurt, and cream products and which Market Assessment estimates has sales of more than £25m at retail prices.

However, not all manufacturers are trying to jump on the health bandwagon. "Some are still launching relatively unhealthy products aimed at those who would rather not worry about their diet," the report says.

Two examples of this trend are recent launches of thick creamy yoghurts and dairy spreads containing a high proportion of butter.

One growth area, according to the report, is in continental-style dairy products — such as French yoghurts — and the penetration of chilled dairy products on the continent indicates that the British consumer could still eat more dairy products. It is pointed out, for example, that the French eat three times as much cheese and 10 times the yoghurt consumed by the average Briton.

One new dairy product being imported from the Continent is yoghurt juice. Market Assessment believes it "will find acceptance among the young but is unlikely to achieve the popularity enjoyed on the Continent in the foreseeable future."

*Dairy Products, published by Market Assessment, 2, Duncan Terrace, London, N1, price £165.*

**DAIRY PRODUCTS MARKET 1984**
(market value)

| | £m | % of total |
|---|---|---|
| Butter | 350 | 6 |
| Canned milk | 70 | 1 |
| Cheese | 945 | 17 |
| Cooking fat | 88 | 2 |
| Cooking oil | 55 | 1 |
| Cream | 93 | 2 |
| Eggs | 805 | 15 |
| Margarine | 350 | 6 |
| Milk | 2,600 | 47 |
| Yogurt | 165 | 3 |
| Yogurt juice | 3 | — |
| | 5,524 | |

Source: Market assessment.

# Report backs Welsh air service

BY ROBIN REEVES, WELSH CORRESPONDENT

OWNERS of holiday homes in Wales may provide the basis for a viable, scheduled commuter air service between Caernarfon in north-west Wales and London, according to a transport consultants' report published yesterday.

The report, commissioned by the Welsh Office from Transport Management and Marketing, suggests that second-home owners could be attracted to a scheduled air service which allows them to live in remote and attractive areas like Gwynedd and also commute regularly to spend, perhaps, three days a week in London or Birmingham.

It identifies a second group of potential passengers as those living in and around Milford Haven, connected with the local oil industry, who need to commute regularly to the North Sea or Gatwick for connecting services. Oil industry technical staff often work two weeks on, two weeks off, the report notes.

The study recommends that Welsh local authorities test the level of demand by subsidising scheduled weekday air services using small aircraft, notable between London and Caernarfon via Newtown, Powys (where it backs plans for a local airfield) and Haverfordwest via Swansea.

It concludes that, but for Mid Wales, the country has enough aerodrome facilities to meet any likely demand for air services though provision of helipads and associated helicopter services should be considered.

Existing facilities are under-used because of lack of promotion by the air transport industry says the study, which urges Welsh authorities to undertake more publicity to encourage the growth of business, air taxi, private and recreational flying. Welsh air taxi operators should form a co-operative marketing association to develop their market, it adds.

# TUC motion aimed at uniting right and left of the movement

***John Lloyd*** *looks at a strategy pioneered by Willis to attract voters back to the Labour Party*

THE motion reproduced here is vital for the Trades Union Congress. It is also the most important for the Labour Party, which is the reason for it being the subject of extensive consultation between Mr Norman Willis, the TUC general secretary, and his senior colleagues, and Mr Neil Kinnock, the Labour leader and his colleagues.

It is also the fruit of an audacious strategy pioneered by Mr Willis: that is, to take elements from resolutions to the right and left, often calling for quite different outcomes, and to sew parts of them together to form a whole which can satisfy all parties.

He pushed the hardest for "new realism" at the 1983 Congress, and this incurred upon him the wrath of everyone left of centre.

Both men, however, would like to see a Labour Government elected and neither are as doctrinaire as their reputations would have, nor as their executives. In coming together to propose this to Congress, they have in mind a number of objectives.

The first is to give Mr Kinnock a base from which he can argue that Congress is united in deploring the Government's legislation, but also accepts that a new framework of positive rights should be introduced, including individual rights.

Second, to open the door to a review of the "Wembley principles," adopted in 1982 and increasingly a millstone round the unions' necks. Adoption of this motion will not get the unions off the hook of an appropriate response to the engineering union, which has openly breached these principles by taking state aid for ballots. However it does force everyone to think hard about whether or not the unions really should live outside of the framework of law in their rhetoric, while making quiet accomodations with it in their deeds.

Lastly, it brings on to the agenda something unions have been aggrieved about for some time: a way to avoid injunctions which they feel always work to the employers' advantage by freezing the dispute, and a way of getting back at employers.

The motion reads: "Congress condemns the Government's partisan and vindictive anti-union legislation as an attempt to inhibit and neuter the trade union movement . . .

"Congress reaffirms its total opposition to this unjust anti-democratic and anti-union legislation and therefore confirms the policy of non co-operation agreed at the special TUC Congress at Wembley in 1982. Unions must not deliberately defy Congress decisions, particularly where there are no compelling circumstances and where their actions undermine those unions which are loyally conforming."

"Congress calls on the general council to enter into immediate talks with the Labour Party to secure a commitment to repeal the Employment Act 1980, the Employment Act 1982 and the Trade Union Act 1984 during the first parliamentary session of a Labour Government; to agree on a positive framework of law to extend collective bargaining and individual and collective rights at work; to formulate a policy on the return of funds seized or exacted from trade unions under these laws.

"Congress instructs the General Council to carry out a major review of industrial legislation within the TUC-Labour Party liaison committee. During the course of the review the General Council should consult affiliated unions about the impact of any proposals and areas of trade union activity currently covered by the legislation which can best be dealt with by strengthening self-policing arrangements within the TUC and should produce a comprehensive report to the 1986 Congress for detailed consideration and decision.

"In carrying out such a review, the General Council should consider a complete ban on interim injunctions during industrial disputes, and amendment of the rules of the Supreme Court to enable a union on behalf of its members to obtain summary judgement against employers locking out members in breach of their contracts of employment."



**APPOINTMENTS**

# Senior post at Austin Rover

Mr John Briffitt has been appointed director of vehicle manufacture for AUSTIN ROVER. He was an engineering apprentice with Morris Motors in Coventry, and became works manager at Bathgate in 1972. His career with Leyland Vehicles included the appointment of plant director at Leyland, Farington and finally manufacturing director, before moving to Austin Rover, Longbridge, in 1979. Mr Briffitt was recently director of manufacturing engineering before his current appointment.

Mr John Briffitt, Austin Rover director of vehicle manufacture

*

Mr Peter L. A. Noakes has been appointed executive director responsible for the newly-created syndicate department at CIBC, part of Canadian Imperial Bank Group. Mr Donald S. Reid and Mr James E. D. Buchanan have been appointed executive directors in CIBC's North American marketing group.

MORANE PLASTIC CO. has appointed Mr Frank P. Sweeney as company secretary. He joined in 1983 as financial controller. This appointment coincides with Morane joining the Bunzl Group.

*

Mr Paul Jenkins and Mr Alan Hanwell have been appointed directors of WHITECROFT DEVELOPMENTS, Wilmslow, property development subsidiary of Whitecroft. Mr Jenkins retains his appointment as group property manager. Mr Hanwell is also a director of Whitecroft's two housebuilding subsidiaries, George Longden Homes, Sheffield, and Longden Northwest, Bolton, where he is joined on the board by the respective general managers Mr Andrew Newcombe and Mr Joe Morley. Mr Jim M'Clean becomes production director of timber merchant, McCue Dick & Co., Belfast, and Mr Ivor Cole is appointed commercial director of fluorescent lighting fittings manufacturer, Silvertown Lighting, Braintree.

*

Following the retirement of Mr R. I. W. (Roo) Smith as pensions manager, WARNER LAMBERT has appointed Mr Peter Brownlow as his successor. Mr Brownlow was pensions administrator.

*

TRAVERS MORGAN PLANNING has appointed Mr Ronald Hunter (Roy) Stewart, as a salaried partner from October 1.

## ECONOMIC DIARY

MONDAY: British Association for the Advancement of Science annual conference opens, Strathclyde University (until August 30). Statement from Thyssen, Wiesbaden.

TUESDAY: Balance of payments current account and overseas trade figures for July. Nuclear non-proliferation treaty review conference opens Geneva. Foreign ministers of Italy, West Germany and Spain discuss European unity, Rimini. UN-sponsored Afghanistan-Pakistan peace talks re-open, Geneva. Hong Kong and Shanghai Bank, and Hong Kong Aircraft and Engineering interim results. U.S. second quarter productivity figures.

WEDNESDAY: Result of NUR ballot of guards on industrial action over one-man trains expected. Detailed analysis of employment, unemployment, earnings, prices and other indicators published in Employment Gazette. British Gas gives details of £700m underground storage scheme for North Sea gas. National Union of Teachers statement on industrial action over pay in next school term. Babcock International interim results.

THURSDAY: Energy trends for June. New vehicle registrations in July. Newspaper Society statement on evidence to be submitted to Home Office on financing BBC. Former West German Economics Minister, Count Otto Lamsdorf, goes on trial on corruption and tax evasion charges, Bonn. Austrian Parliament meets in special session to pass strict wine law. One-day general strike in Argentina in protest at economic policy. Bundesbank council meeting, Frankfurt. German motor industry statement ahead of September 12 International motor show. British Petroleum, Blue Circle Industries, Ladbroke Group, interim results. Associated Dairies final results.

FRIDAY: July final figures for car and commercial vehicle production. Second quarter survey of company liquidity. June figures for overseas travel and tourism. Unemployment and unfilled vacancies in August. Blackpool illuminations switched on. Unctad annual report on world trade. Saga Petroleum, Norway, half yearly results. Volvo half yearly results. U.S. July leading economic indicators, factory orders and merchandise trade.

## BASE LENDING RATES

| Bank | Rate |
|---|---|
| A.B.N. Bank | 11½% |
| Allied Dunbar & Co. | 11½% |
| Allied Irish Bank | 11½% |
| American Express Bk. | 11½% |
| Henry Ansbacher | 11½% |
| Amro Bank | 11½% |
| Associates Cap. Corp. | 12 % |
| Banco de Bilbao | 11½% |
| Bank Hapoalim | 11½% |
| BCCI | 11½% |
| Bank of Ireland | 11½% |
| Bank of Cyprus | 11½% |
| Bank of India | 11½% |
| Bank of Scotland | 11½% |
| Banque Belge Ltd. | 11½% |
| Barclays Bank | 11½% |
| Beneficial Trust Ltd. | 12½% |
| Brit. Bank of Mid. East | 11½% |
| ■ Brown Shipley | 11½% |
| CL Bank Nederland | 11½% |
| Canada Permanent | 11½% |
| Cayzer Ltd. | 11½% |
| Cedar Holdings | 12 % |
| ■ Charterhouse Japhet | 11½% |
| Choulartons** | |
| Citibank NA | 11½% |
| Citibank Savings | ¶12½% |
| City Merchants Bank | 11½% |
| Clydesdale Bank | 11½% |
| C. E. Coates & Co. Ltd. | 12 % |
| Comm. Bk. N. East | 11½% |
| Consolidated Credits | 11½% |
| Continental Trust Ltd. | 11½% |
| Co-operative Bank | 11½% |
| The Cyprus Popular Bk. | 11½% |
| Duncan Lawrie | 11½% |
| E. T. Trust | 12 % |
| Exeter Trust Ltd. | 12 % |
| First Nat. Fin. Corp. | 13 % |
| First Nat. Secs. Ltd. | 13 % |
| ■ Robert Fleming & Co. | 11½% |
| Robert Fraser & Ptns. | 12½% |
| Grindlays Bank | ‡11½% |
| ■ Guinness Mahon | 11½% |
| ■ Hambros Bank | 11½% |
| Heritable & Gen. Trust | 11½% |
| ■ Hill Samuel | §11½% |
| C. Hoare & Co. | 11½% |
| Hongkong & Shanghai | 11½% |
| Johnson Matthey Bkrs. | 11½% |
| Knowsley & Co. Ltd. | 12 % |
| Lloyds Bank | 11½% |
| Edward Manson & Co. | 12½% |
| Meghraj & Sons Ltd. | 11½% |
| Midland Bank | 11½% |
| ■ Morgan Grenfell | 11½% |
| Mount-Credit Corp. Ltd. | 11½% |
| National Bk. of Kuwait | 11½% |
| National Girobank | 11½% |
| National Westminster | 11½% |
| Northern Bank Ltd. | 11½% |
| Norwich Gen. Trust | 11½% |
| People's Trust | 12½% |
| PK Finans. Intl. (UK) | 12 % |
| Provincial Trust Ltd. | 12½% |
| R. Raphael & Sons | 11½% |
| Roxburghe Guarantee | 12 % |
| Royal Bank of Scotland | 11½% |
| Royal Trust Co. Canada | 11½% |
| ■ J Henry Schroder Wagg | 11½% |
| Standard Chartered | ‖11½% |
| TCB | 11½% |
| Trustee Savings Bank | 11½% |
| United Bank of Kuwait | 11½% |
| United Mizrahi Bank | 11½% |
| Westpac Banking Corp. | 11½% |
| Whiteaway Laidlaw | 12 % |
| Williams & Glyn's | 11½% |
| Yorkshire Bank | 11½% |

■ Members of the Accepting Houses Committee.
• 7-day deposits 8.00%. 1 month 8.50%. Top Tier—£2,500+ at 3 monthly notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8% gross.
‖ 21-day deposits over £1,000 8.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 8%.

# Cosa set to meet NUM over breakaway

By John Lloyd, Industrial Editor

THE National Union of Mineworkers' white collar section Cosa meets on Friday to determine its future in — or out — of the NUM.

A consultative exercise among the section's branches has produced a confused picture. Some call for Cosa to leave the NUM to federate with the prospective breakaway federation based on Nottinghamshire, others call for it to become a wholly independent union, others insist it remain within the NUM and still others demand more information on the rule changes the union adopted at its annual conference last month.

Leaders of the breakaway group still hope to attract the section's 16,000 members throughout the industry — a move which would boost its prospective membership to around 50,000.

However, Mr Trevor Bell, Cosa's general secretary, said last night that the meeting of its general council in Derby next Friday is unlikely to produce a clear decision either on remaining in the NUM or on attempting to break away.

A move for a ballot among Cosa's members on the issue remains a possibility.

● More than 2,000 miners have been called to an emergency meeting today to discuss a dispute threatening to cripple the north-east's biggest colliery.

One hundred and fifty men were turned away from Ellington Colliery in Northumberland yesterday when they refused to sign an undertaking to work normally.

**Sue Cameron** and **Helen Hague** look at Fleet Street's struggles on the eve of a revolution

# Maxwell and Shah vie for vanguard status

"MAXWELL IS loving every minute of it," a shell-shocked Mirror Group Newspapers journalist said yesterday. "I reckon there's nothing he likes better than a good fight."

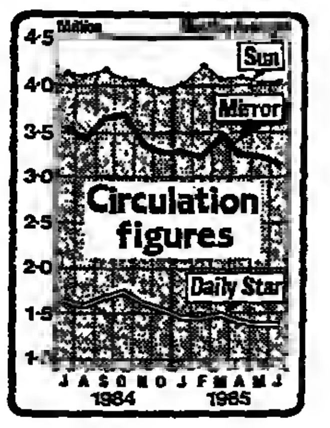
Sneaking admiration for Mr Robert Maxwell, MGN's publisher who opted to tackle the National Graphical Association print union head on, was being privately echoed up and down Fleet Street yesterday. Many in national newspapers secretly will him to win, not for his own sake but for theirs.

Mr Ken Derbyshire, Audit Bureau of Circulation chief executive, said: "Fleet Street is at the beginning of a revolution." That revolution will involve extension of new technology, cuts in manning levels and the start of a period of healthier profit levels for national newspapers.

The consensus is that Mr Eddie Shah, who plans to start a new-technology national daily newspaper next spring, should be cast in the arch-revolutionary role. His newspaper will be produced by about 700 workers, compared with MGN's 4,500 in London alone. Nor are numbers employed at MGN atypical of other popular Fleet Street papers.

If, however, Mr Shah's venture marks the most dramatic switch from traditional Fleet Street practices, Mr Maxwell's moves are being watched almost as closely. Moreover, Mr Shah has yet to prove he can get his product right and produce a newspaper that sells, whereas Mr Maxwell's Mirror is well established.

One scrutinising Mr Maxwell is Mr David Stevens, chairman of United Newspapers, which is planning to bid for Fleet




Holdings, publishers of the Daily Express, Sunday Express and Daily Star.

Mr Stevens, who this year bought a 15.76 per cent stake in Fleet from Mr Maxwell for £30.6m, describes his as an intelligent, tough man who has achieved much and who, when he says he will do something, honours it every time.

Mr Maxwell's purchase of MGN from Reed International for £113.6m just over a year ago is thought to be a factor that has increased United's keenness to buy Fleet.

Initially, United seemed most interested in Fleet's Morgan-Grampian magazine business. Over the past year, however, it has become noticeably more enthusiastic about Express Newspapers.

One reason is that Mr Stevens believes Fleet Street, led by Mr Maxwell as much as Mr Shah, is on the verge of making advances that will put it back firmly on the road to acceptable profitability.

Meanwhile, Associated Newspapers, publishers of the Daily Mail, last month announced it was advancing plans to build a £100m printing plant in London's Docklands inside four years.

Further, in June the Daily Telegraph met its deadline for raising £30m of new share capital, a precursor to borrowing £80m more to finance a move to a modern plant in Dcklands.

Mr Derek Terrington, a newspaper industry analyst at Grieveson Grant, brokers, says: "People are looking at Maxwell as well as Shah, and the Fleet Street log-jam is breaking up in a way that seemed impossible in 1978 when The Times was being virtually choked to death by its year-long strike.

Mr Maxwell had a big success when he turned round his British Printing and Communications Corporation in spite of fierce opposition from unions.

Today he can use the threat of competition in his battle with the unions — competition from Mr Shah against MGN and from the planned Racing Post. This is another newspaper due to start next spring. It is backed by the Maktoum family and will offer formidable rivalry to MGN's Sporting Life.

The row over Sporting Life's production seen as a dry-run for Mirror Newspapers themselves. Mr Maxwell is planning to spend £60m on colour-printing equipment to produce the Mirror. He intends to move production from the Holborn Circus site in central London, possibly to Docklands, and to contract-out the printing of his publications to British Newspaper Printing Corporation, a BPCC subsidiary.

MGN's profits are scarcely exciting. Last year MGN contributed £3.8m only to Mr Maxwell's Pergamon Press profits. Of that, £3m came from the group's Scottish national newspapers.

Mirror circulation is falling. Its share of the sales of all popular national tabloids has slipped from 26.4 per cent in summer 1984 to 25.7 per cent this June.

An area where Mr Maxwell has failed to deliver is in overtaking Sun sales. Many believe that what is seen as interference in the Mirror's editorial content, Mr Maxwell's use of it as a vehicle for publicising himself and his views, is the main reason.

Mr Maxwell visage may be bringing new hope to tired Fleet Street managements on rival newspapers. It does not, however, sell newspapers like Page Three girls do.

# Battle lines are drawn at Holborn Circus

WHEN Mr Robert Maxwell addressed a news conference yesterday, his stance was unequivocal, writes Helen Hague.

"Management should be allowed to manage," declared the publisher of Mirror Group Newspapers. "The Sporting Life should move out of the Mirror Group building."

The immediate crisis—the suspension of the group's four national newspapers—has been brought about by Mr Maxwell's attempts to move the Sporting Life racing daily out of the group's Holborn Circus complex.

A contract has been signed with Oyez presses—in which Mr Maxwell's Pergamon Press has a controlling interest—to typeset the Life in Bermondsey from October.

The NGA chapels (office branches) at the Mirror Group reacted in time-honoured Fleet Street fashion: a disruptive meeting in the composing room chapel, coupled with the machine room's refusal to work overtime to make up the print run, led to the loss of 750,000 copies on Wednesday night.

In January, Mr Maxwell had warned MGN staff that if they were not prepared to be "guided by the rudder," they would be "taught by the rocks."

In Mr Maxwell's view, the NGA have "dismissed themselves," and MGN's other employees—between 4,000 and 5,000—are now suspended.

Mr Maxwell says the NGA had been assured there would be no redundancies. Displaced compositors would remain on the payroll after the typesetting transfer until they could be "slotted in" through natural wastage.

But the issue of overtime and bonus payments currently received by the compositors is understood to be crucial.

As well as needing to meet the competition of a new rival to the Life, it is thought that Mr Maxwell is trying to confront the NGA at a time when it is under attack on other fronts: tensions with the National Union of Journalists and fellow print union Sogat '82 over new technology, and the imminent emergence of Mr Eddie Shah's national daily.

Mr Maxwell claims the current NGA composing staff is "incapable" of producing the Life to the standards, time schedules and degree of accuracy required.

There have been problems with new technology installed to produce the Life—and papers frequently fail to meet train times for delivery to the North.

The MGN suspension has brought to a head six months of mounting tension over the company's attempt to link a Sogat pay rise with cost-cutting measures.

# Scots base for U.S. consultancy

A LEADING U.S. high-technology management consultancy is to base its European operations in East Kilbride, Lanarkshire.

Pittiglio, Rabin, Todd and McGrath serves more than 150 clients from its offices in Massachusetts and California. Mr Michael McGrath, managing director, said the East Kilbride office, which will be fully operational by September 1, was intended to service existing and new clients throughout Europe.

Welcoming th announcement, Mr Alastair MacPherson, head of the Scottish Development Agency's electronics division, said: "the fact that these services are being supplied from Scotland can only add to our worldwide reputation in electronics."

# Renewed bid to end teachers' pay dispute

By David Brindle, Labour Staff

LOCAL AUTHORITY employers are considering fresh proposals to solve the teachers' pay dispute in England and Wales—though with little hope of success.

The proposals are being formulated on the basis of the conditional offer by Sir Keith Joseph, Education Secretary, of an extra £1.25bn for the teachers' pay bill over the next four years.

The main teachers' unions have already dismissed Sir Keith's terms as irrelevant to the current pay round, for which there would be no additional funding. Employers' officials have done their sums on the terms without much enthusiasm.

The proposals to be considered by employers' leaders next Friday are likely to use the bulk of the extra £200m Sir Keith would make available in 1986-87 to add increments at the top of salary scales and abolish two of the five scales.

About 20 per cent of the extra cash would be set aside to pay midday supervisors — either teachers or assistants —

The package would add nothing to the employers' last 1985-86 pay offer, worth 6.06 per cent on the salary bill. This, coupled with the fact that Sir Keith's terms are strictly conditional on agreement by mid-October on a new teacher contract, makes rejection by the unions almost certain.

On Wednesday the National Union of Teachers, the biggest teachers' union, will announce plans for resumed disruption in schools

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday August 24 1985

# Economics get politicised

FEW GOVERNMENTS in the developed world—apart, perhaps, from that of Mr Bob Hawke in Australia—can take much comfort from the latest round of economic forecasts; the consensus ranges from the drab continuation of inadequate growth next year, in West Germany and Japan, for example, to something approaching a standstill in the UK and France.

Few governments, either, can afford to be very philosophic about this. Republican congressmen distancing themselves from a second-term President, conservatives in West Germany and the UK and socialists in France all face electoral tests much too soon for comfort, and the political forecasts are even more discouraging than the economic ones. The temptation to do something, even if economists would regard it as ill-advised, to win popularity, is getting stronger by the month. The search is on for quick-paying initiatives, with less and less regard for the longer term.

### Fiscal stimulation

In Britain, it seems increasingly clear, the quick fix is likely to be sought through fiscal stimulation, applied with a minimum of publicity behind a thin smokescreen of privatisation as a source of finance. Already in Whitehall officials in the major spending departments have been astonished at the ease with which their proposals have been accepted by a usually vigilant and suspicious Treasury. Since it has become routine for estimates to be padded in advance to absorb the initial Treasury attack, some departments may well end up with budgets bigger than they actually planned to spend.

Even the warmest proponents of reflation in the academic world and on the Left would hardly claim that this is the best way to set about it. When slack spending control is supplemented by tax cuts financed by selling off the remaining marketable assets of the public sector, it seems clear that the usual electoral cycle, in which the incoming government is compelled to deflate simply to undo pre-election excesses, is likely to be repeated yet again.

Conventional Keynesians, represented by the National Institute of Economic and Social Research, those City economists who advise the Labour Party, and indeed the Paris economists who work out the OECD's measures of fiscal stance, would argue that Mrs Thatcher's Government has been applying an absurdly tight fiscal policy all along: in that case a reflation now would simply leave less for the next Government to do.

However, two Treasury economists have published a paper in the National Institute Review which gives a very different picture. Looking at the whole national balance sheet rather than simply at the financial liabilities counted in the PSBR, they conclude that Mrs Thatcher can easily be portrayed as a spendthrift. The money raised by selling assets and the peak revenues from the North Sea, which ought to be regarded as realisations of national capital, have vanished in current spending, while capital formation is not nearly enough to justify the actual borrowing of recent years.

Politically, however, the trick may work very well, for criticisms such as these cannot easily be launched by political opponents who plan to borrow more, not less. If the relaxation also produces some speed-up in the economy, it could win back some lost support. The big question is whether reflation will stimulate the domestic economy when the Government is relying on a punishingly high exchange rate to keep inflation in check. Much of the stimulus may go to imports.

That is precisely the problem which is now facing the U.S., in somewhat similar though much more extreme circumstances. Both the Federal deficit and the surge in imports are on a scale which we are unlikely to emulate on this side of the Atlantic. The result, alas, is that the Congressmen may turn to the one quick fix which is guaranteed to be popular with every vocal lobby in Washington—protectionism. This would probably have its impact on profit margins rather than trade volumes, since most exporters to the U.S. can easily afford the ransom out of their margins, but if retaliation were to spread (as it mercifully did not to President Nixon's 10 per cent surcharge) the results would be dire.

### Tailing off

Even if this particular danger can be headed off, possibly by free use of Mr Reagan's veto powers, it is clear that the stimulus to the world economy from U.S. demand is tailing off this year. The often forecast American bounce-back in the second half of this year looks increasingly unlikely to most forecasters — although those with a strong financial bias, who watch security prices and stock markets, are still bullish. The impact will fall mainly on Asia and Latin America; but even Europe, which profited sadly little from the U.S. boom, will suffer second-round effects.

This will only deepen the dilemma faced by Chancellor Kohl in Germany and Mr Nakasone in Japan. Their electoral needs, strong diplomatic pressure from the U.S., and the desire to do something visible to placate the U.S. Congress all argue strongly for measures to stimulate demand; but their own rhetoric, and the rather puritanical perceptions of their business communities, are strongly opposed to doing anything rash.

THE TAKEOVER BATTLE FOR BELL'S

# How Guinness pulled it off

By John Makinson

GUINNESS'S announcement yesterday that it had won control of Arthur Bell was among the least surprising statements of the takeover battle.

For the past 10 weeks the City has been treated to a contest between two of Britain's most distinctive drinks companies which has contained more bizarre incidents and false turns than any in recent memory. Faced with a supremely well prepared bid, Bell mounted a defence so accident-prone that yesterday's defeat looked no more than a surrender to the inevitable.

When Guinness announced its bid on June 14, the outcome looked far from a foregone conclusion. The Guinness camp had been rushed into putting out its offer by a sudden rise in the Bell share price, the cause of which the Stock Exchange is still investigating. On the face of it, Bell looked to have a decent chance of escape. The whisky company boasted a ten-year record of unbroken growth in profits and dividends. Perhaps more important, it was a Scottish company in a country which has never looked kindly on Sassenach invasions.

But what Bell could not have known at the time was the extraordinary extent of the Guinness preparations. Its opponent had been studying Arthur Bell and the Scotch whisky industry for 18 months.

**Guinness knew precisely what response to expect**

It had accumulated volumes of statistics and market research on its target. And, above all, it had surrounded itself with as good a team of advisers as money could buy.

The Guinness merchant bank was Morgan Grenfell, currently regarded as the most effective attacking forward in the City game. Stockbroking was split between Wood Mackenzie, which offered both impeccable Scottish credentials and the best whisky industry research available, and Cazenove, the undisputed leader in corporate finance. Broad Street Associates, a takeover veteran, was advising on public relations and advertising, where it could draw on the skills of copywriters employed by another client, Saatchi & Saatchi.

Bell, by contrast, was in considerable disarray. Rumours of a possible takeover bid had been circulating for months but they had evidently not been taken too seriously by executives at the Perth head office. When the offer landed on the office doorstep, the chairman was in Chicago and the team of advisers was looking distinctly thin.

Bell had been under the impression that it could count on Morgan Grenfell for advice. When the bid came, however, the company found Morgan sitting on the other side of the fence, arguing that it had not acted for Bell for 18 months and was perfectly entitled to advise Guinness. Bell contemplated legal action and complained to the Takeover Panel, but eventually gave up the unequal struggle.

That left Bell with only one merchant bank, Henry Ansbacher, which has never previously been involved in a takeover on anything like this scale. The group's public relations advisers had no experience of takeover work and were rapidly replaced by a small agency, Wheatsheaf. But even Wheatsheaf could not match Broad Street, forcing Bell eventually to supplement its public relations force with Shandwick Consultants, an acknowledged takeover expert. The group's stockbrokers were well regarded but as a team they scarcely ranked with Cazenove and Wood Mackenzie.

When Guinness launched its bid, it knew precisely what response to expect. The Guinness chief executive, Mr Ernest Saunders, had been trying for months to arrange a social meeting with Mr Raymond Miquel, the Bell chairman and chief executive. These delicate approaches, made through a mutual acquaintance, had all failed. Mr Miquel liked his company to be independent and was determined to keep it that way. From his hotel bedroom in Chicago, Mr Miquel duly denounced the offer in the roundest terms.

The Guinness strategy fell into two distinct parts. The first objective was to secure political support for the bid, both at Westminster and in Scotland, in order to obtain Office of Fair Trading approval for the offer to proceed. Guinness had never underestimated the sensitivity of the Scottish issue and here too was well prepared and advised. In London, Mr Saunders had sought the advice of Mr Gordon Reece, the media consultant who had helped to shape Mrs Thatcher's public image and had returned from the U.S. to advise on the 1983 Conservative Party election campaign. He also brought in Mr Andrew Gifford of GJW Government Relations, the lobbying firm.

But the key to phase one of the strategy was Edinburgh. Guinness was already aware that Bell, and Mr Miquel in particular, were seen as outsiders by the Scottish establishment. While Bell could no doubt count on political support — an all-Party group of MPs did make representations on Bell's behalf to the OFT — Guinness recognised that the obstacles were not insuperable.

Guinness already had the support of Mr Charles Annand Fraser, a Scot of immaculate pedigree and the chairman of Morgan Grenfell Scotland. But it had another card up its sleeve. Guinness persuaded Noble Grossart, Edinburgh's most distinguished merchant bank, to act on its behalf. Mr Angus McFarlane McLeod Grossart, the bank's managing director and a Scot as well connected as Mr Fraser, immediately went to work on the Scottish lobby.

Mr Saunders spent the first day of the bid in London, outlining the logic of his offer, and then sped to Edinburgh, a City he would come to know well over the next six weeks. On Sunday, he held a Press conference in Edinburgh, which sought to reassure the Scottish interests and to find out what the most sensitive issues were.

Mr Miquel, meanwhile, was still in America, having decided to fulfil most of his business commitments across the Atlantic. On his arrival in London on Wedesday, he called a Press conference at the Hilton Hotel and again denounced the Guinness offer. On the following day, he repeated the performance in Edinburgh and discovered that the Scottish Press was far from delighted at being given the same message as their London colleagues, only a day later. Mr Saunders, by no coincidence, had hosted his first Press conference in Scotland.

Bell did, however, win one political ally whose passionate adherence to the company's cause finally became a source of embarrassment to its advisers. Mr Bill Walker, Conservative MP for Tayside North, urged that the OFT should block the Guinness bid. Mr Walker's opposition to Guinness was implacable, even in the closing days of the bid.

Mr Walker's representations to the OFT fell on deaf ears. On July 23, the offer was cleared, reflecting the government's insistence that competition should be the OFT's criterion. Bell had not only failed to gain sufficient political support; it also found—and this was perhaps the most astonishing feature of the whole takeover—that the bulk of the Scottish press had deserted to the Guinness camp.

The Guinness strategy now moved into its second phase as the battle swung to London. An analysis of Bell's shareholders' register had shown that, with the exception of two large Scottish holdings, the important Bell shareholders were City institutions. Guinness went to work on the City.

Persistent attempts by Mr Saunders to secure a meeting with Mr Miquel finally resulted in a rendezvous between the two in London on June 25. No agreement was reached and tempers began to fray on both sides. Mr Miquel, tacitly acknowledging that he was outgunned by Guinness, brought in S. G. Warburg, a merchant bank which is to defence what Morgan Grenfell is to attack. Ansbacher would from now on play the secondary role.

The Warburg appointment came far too late. The bank knew almost nothing of Bell or its business and had only a fortnight to prepare a defence document. As it went to work on the problem, it learnt that the Guinness publicity machine had already established a convincing lead.

The guts of the Guinness case was that Bell had failed to give its product the proper marketing support. In contrast to Highland Distilleries' Famous Grouse, Bell's was losing market share in the UK and failing to make real incursions in the all-important U.S. market. As Guinness was repeatedly to argue, with a slogan dreamt up long before the bid was launched, "Bell's has lost its way."

Warburg tried desperately to contrast Bell's genuine success under Mr Miquel's management with the short-lived reputation of the Guinness team. It also endeavoured to show that Guinness had not increased either the profits or the market share of its own principal brand in anything like the way suggested by the Guinness camp. But the message fell on deaf ears.

Over the previous three years, Mr Saunders had devoted far more time and attention to the cultivation of leading journalists and stockbroking analysts than his counterpart at Bell.

The Guinness message was driven home in an advertising campaign unrivalled—in either cost or ingenuity—by any other takeover. The press advertising bill for the two sides must easily have topped £1m, with Guinness outspending Bell roughly two to one. Guinness believed it was money well spent. The advertising was supposed to demonstrate the strength of its product as well as the strength of its case. "Guinness is good for you," a slogan which the company has not been permitted to use for product advertising, was allowed in the context of a takeover, and Guinness employed it for all it was worth.

The Guinness message was thoroughly consistent. Almost each day, an inner committee—consisting of Mr Saunders, chief strategist Olivier Roux and two Guinness public affairs officers—would meet to discuss tactics, frequently with the bankers and brokers present. The Bell camp had more of a problem. Even though the heart of the battle was now London, Mr Miquel was spending much of his time in Perth running the business.

On July 12 Bell had published its first defence document which, given the time available to Warburg, was a thoroughly solid affair. On August 5, shortly before midnight, Bell put out its second defence, containing a profits estimate and a two-thirds rise in the dividend. The reason for the midnight launch was curious. Bell had been planning to use statistics concerning the Guinness market share supplied by a leading market research specialist. On the morning of August 5, the firm mysteriously withdrew its permission for the use of the figures in their earlier form and the whole document had to be reprinted.

What remained of the document was disappointing. It is not uncommon in a takeover for the defending company to ginger up its profits. Mr Miquel, to his credit, insisted that the numbers should be added up in the traditional way and refused to consider a valuation of the Bell hotels which might have added muscle to the defence. The market, not surprisingly, was disappointed.

On August 7, the defence fell apart completely. Guinness increased its offer and bought a 3.25 per cent holding which Ladbroke had picked up in the mistaken hope of being able to negotiate the purchase of Bell's hotels. Then, after the market had closed, Mr Peter Tyrie, a Bell director, announced that he was proposing to recommend acceptance of the revised Guinness offer.

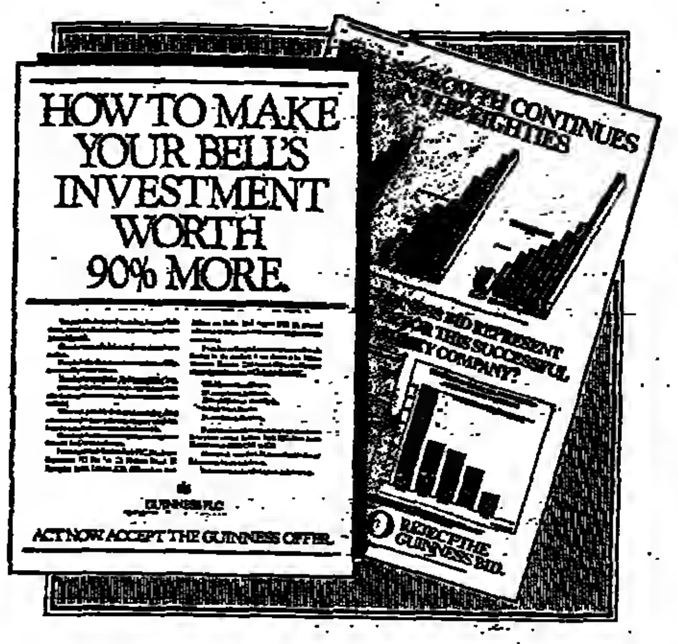
The immediate cause of Mr Tyrie's astonishing action was a Press release put out that afternoon by Bell. The text amounted to no more than a strong statement recommending shareholders to take no action. But someone, without authorisation, had added the headline "Bell's continues to reject Guinness." Mr Tyrie, who managed the hotel interests and had never been entirely comfortable on the Bell board, had not been consulted.

**On August 5, Bell put out its second defence**

Virtually Bell's only hope was now a counter-offer from a "white knight." The company announced that it was seeking an alternative offer and examined roughly a dozen possible contenders. One of them was Rothmans International, a tobacco company with South African connections.

Bell held a meeting with Rothmans which produced nothing of substance but the idea gradually gained ground in the Press that Rothmans was about to bid. As luck would have it, the white knight idea had backfired. Scarcely anything would enrage the Scottish lobby as much as a bid from South Africa. To Bell's relief, Rothman's denied the rumour and at the beginning of this week Bell announced that it had abandoned all talks with white knights.

From then on, there was only one possible result. The outcome of a contest which had initially revolved around the marketing of a product had been determined by the marketing of the bid itself.




**COUNTDOWN TO TAKEOVER**

| | |
|---|---|
| June 13 | Sudden rise in the Arthur Bell share price |
| June 14 | Guinness launches its bid |
| June 20 | Bell complains to the Takeover Panel about Morgan Grenfell |
| June 25 | Mr Saunders and Mr Miquel meet in London |
| June 27 | S. G. Warburg appointed to advise Bell<br>Takeover Panel clears Morgan Grenfell |
| July 12 | Bell publishes its first defence |
| July 23 | Office of Fair Trading clears the Guinness bid |
| July 26 | Bell clarifies two points in its defence document |
| August 2 | Ladbroke buys a 3.25 per cent holding in Bell |
| August 5 | Bell publishes its second defence |
| August 7 | Guinness increases its offer<br>Guinness buys the Ladbroke stake<br>Mr Tyrie breaks ranks with the Bell board |
| August 9 | Bell formally rejects the higher offer and seeks a white knight |
| August 10 | Mr Miquel makes an informal profit forecast |
| August 13 | Mr Miquel withdraws his forecast |
| August 14 | Kuwait Investment Office sells 4.9 per cent holding in Bell |
| August 19 | Bell abandons the hunt for a white knight |
| August 23 | Guinness secures control of Bell |

## Woman in the News

Benazir Bhutto

# Dynasty lives to fight again

By John Elliott in Larkana, Pakistan

FIFTY years ago Sir Shahnawaz Bhutto, an Indian feudal landowner knighted by the British, was a respected public figure, holding posts in the then Indian Empire such as provincial minister in Bombay and Dewan (chief minister) in a princely state.

This week his 27-year-old grandson of the same name was buried in Larkana in what is now the Sind province of Pakistan. The young Shahnawaz died mysteriously in southern France last month after a chequered childhood and a brief career as joint head with his brother of a terrorist organisation called Al Zulfikar.

His body was brought to the family seat of Larkana by his sister, Miss Benazir Bhutto, 32, who is taking up the political inheritance started by her grandfather. Her father, Mr Zulfikar Ali Bhutto, was a controversial Prime Minister of Pakistan until he was ousted and later executed by the current military regime of President Zia-Ul-Haq.

Now Miss Bhutto, who has lived in London for 18 months after 34 months of house arrest in Karachi, is the only political figure in Pakistan capable of leading an opposition attack against the Zia regime and against the new forms of parliamentary democracy which the President is slowly introducing.

Such family dynasties have emerged in all the main South Asian countries of India, Sri Lanka and Bangladesh, as well as Pakistan, while political institutions have been slowly developing after independence in the late 1940s. The Nehru-Gandhi dynasty in India is the most famous and well established.

In each country a woman has emerged at the top after the death of a husband or father. Mrs Gandhi took over as Prime Minister in India after only a brief gap following the death of her father, Mr Jawaharlal Nehru. Mrs Bandaranaike emerged in Sri Lanka after the death of her husband.

Although often regarded as amateurs till they suddenly emerge into the limelight, these women, like Mr Rajiv Gandhi in India, learn their trade by growing up in intensely political environments.

So just as Mr Gandhi has been surprising people with his political drive and ability at the age of 40, having been an airline pilot until four years ago, so Miss Bhutto at the age of 32 is a credible political figure. She appears in old photographs alongside her father, for example with Mrs Gandhi at the signing of the historic Indo-Pakistan Simla peace agreement in 1972.

Miss Bhutto mixes the aristocratic authority and bearing of the daughter of a wealthy Zaminder (Urdu for feudal landlord) family with the education and style of a former President of the Oxford Union. Many Zaminders (or Wadera as they are known in Sindi) still run their huge estates on a feudal basis, but Sir Shahnawaz was more enlightened than most, and his son and grand-daughter considerably better educated.

She struck an elegant but tragic figure this week as she saw her dead brother off from the family home to his all-male moslem prayers and burial. Now she is pulled between the political ambition of wanting to avenge her father's death (and establish how Shahnawaz died) and worry about her mother who is seriously ill with cancer in Paris.

But there is no doubt about her political goal—to restore to power the Pakistan People's Party (PPP) founded by her father in 1966. With her mother incapacitated, she is the PPP's acting chairman. "It would be my father, Mr Bhutto, who would win an election, we would only be judged for what we did in power," she said in an interview just before her brother died. "I am more committed than ever," she said this week.

Her father adopted socialism as the slogan alongside Islam and democracy with which he won power. He then followed a socialist path of widespread nationalisation and reduction of private wealth (although the wealth of the landowners remains to this day).

Miss Bhutto has not often spelt out her own political policies but said in the interview before her brother's death: "We are not hostile to the private sector but the public sector must be the engine of growth." Such a policy could reverse the aims of the current Zia regime. She wants to switch the attention of the PPP, away from a current debilitating debate about past constitutions and towards what she believes are vote-winning economic issues such as jobs and prices and the prospects for Pakistan's youth.

She also said she would want gradually to improve relations with neighbouring India and would want a political solution to the Afghanistan problem. Although reluctant to discuss Pakistan's controversial nuclear capability, she would probably keep the bomb if a PPP regime inherited one but stick to nuclear power for energy purposes if there was no weapon capability.

She will not openly say she wants to become Prime Minister. But her supporters assume she will be one day, even though some people doubt whether a young unmarried woman could win an election in Pakistan's male-dominated Moslem society.

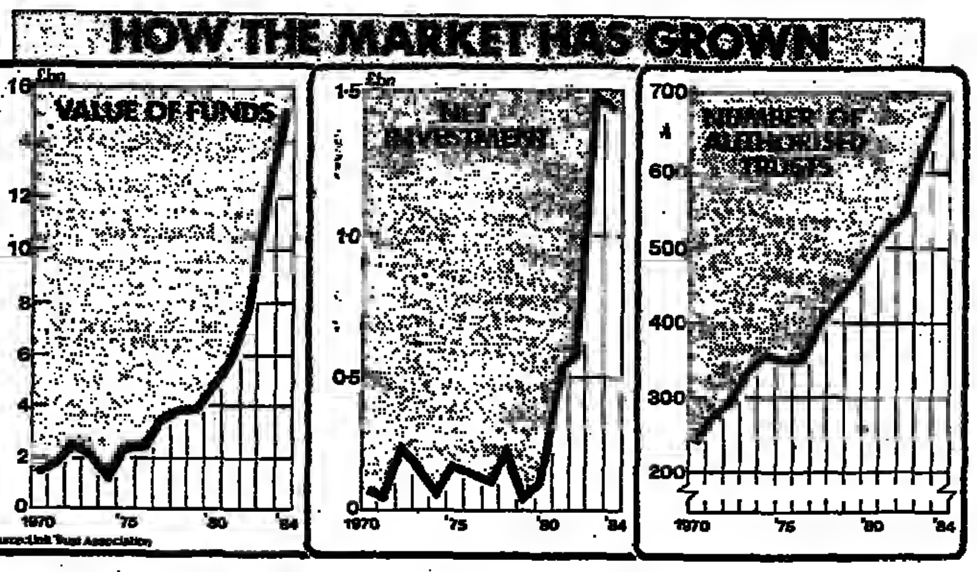
Her political experience is limited because she has been out of circulation under house arrest or living in London for over four years but there is no challenge to her as PPP leader.

Under the cover of 40 days of Moslem mourning and visitors offering their condolences she now has a chance to stay in Pakistan and put her stamp on the PPP organisation and policy development for the first time. She also has to learn how to deal with splits in the party and with potentially jealous leaders of other smaller opposition parties. She chaired a meeting of the PPP central executive—her first for five years—on Thursday.

How long President Zia will allow this political activity to continue remains to be seen. He does not want to provoke disturbances by putting her back under house arrest during the mourning but after that he seems bound to curtail her activities if she stays. For that reason, having done her work, she may return to Europe, saying she must look after her mother and have fresh treatment for a long-standing ear infection.

Then she could wait either for the end of martial law which the Government is promising for the end of this year or for the opposition to develop to the point where, as she put it recently, she could arrive "to take the country by storm or be taken by storm."

# UK UNIT TRUSTS




# The way managers make their money

By George Graham

AFTER 15 years of trying, unit trusts have at last won back the hearts of the investing public. Sales have quadrupled in the past five years, and should come close to £4bn this year.

Booming stock markets have also lifted the value of the funds managed by unit trust companies. From £2.5bn in 1975 they climbed to £5bn by 1980; since then they have soared to over £16bn.

The old-established unit trust specialists have not been left in peace to enjoy their good fortune. A horde of competitors—merchant banks, independent fund management boutiques and, above all, life assurance companies—has hastened to set up unit trusts.

Five years ago, there were only 100 unit trust management groups. Last year, 20 new management groups entered the lists, and more than 100 new unit trusts were authorised. Today there are 150 management groups, running nearly 800 trusts.

Their motives are mixed. The stick was the abolition of tax relief on life assurance savings policies in the 1984 Budget. The life companies immediately found that their main savings products were at a severe competitive disadvantage to their unit trust rivals.

Not only are their initial charges much higher, but they also have to pay capital gains tax on gains within the investment fund. Unit trusts are exempt from CGT, although the investor may be liable when he finally sells his units. If the life companies did not change their ground, they risked losing a large proportion of their sales.

The carrot, however, was that unit trust management had become profitable. In 1979, the Department of Trade, the unit trust industry's regulator, removed restrictions on management charging structures. Previously, it had offered them the not-very-attractive choice of charging either 5 per cent as an initial fee and $\frac{3}{8}$ per cent annually; or 3¼ per cent initially and ½ per cent annually.

For many groups, commission payments to intermediaries would have wiped out a 3¼ per cent front-end charge, but opting for a 5 per cent initial charge meant surviving on a very tight annual management fee.

"Three-eighths was a pretty narrow margin to work on," says Mr Christopher Burrows, deputy managing director of Henderson Unit Trusts, which is now the fifth largest unit trust group. "The first thing everyone wanted to do when limits went was to get annual charges up."

Henderson, like many other groups, moved swiftly to raise charges when the regulations were lifted. A 5 per cent front-end fee is now normal, while annual charges are typically between $\frac{3}{4}$ and 1 per cent. For gilt-edged funds they may well be lower, since less management time is required. Some highly specialised overseas funds, such as Henderson's European Smaller Companies Trust, charge as much as 1½ per cent a year.

The last major unit trust group to stick to a $\frac{3}{8}$ per cent annual charge, Framlington, is to raise its charges from October 1, citing sharply increasing costs in the City.

The new scales of annual fees may look like a vision of the promised land to a merchant bank more used to 1/10 per cent per annum for managing pension funds. But the unit trust business brings with it the cost of administering a large number of holders' accounts, and profits on the annual fees can be elusive for a small management group.

"By and large, you can run £800m as cheaply as £400m," says Mr Richard Eats of GT. "Your overheads are mostly fixed; so the larger you get, whether through sales or through investment performance, the more you earn on annual charges."

For long-established giants such as M & G or Save & Prosper, with 20 per cent of the market between them, annual charges can therefore provide over half of unit trust revenues. With smaller groups, the figure is likely to be closer to a third.

With the second element of revenue, front-end charges, it is not size that counts so much as marketing style. Sales volume is clearly crucial, but it also makes a difference how you sell.

The Unit Trust Association limits commission paid to brokers and agents to 3 per cent, although a few non-members, such as Lawson and Oppenheimer, pay more. But VAT, stamp duty, discounts for bulk purchases and supplementary marketing costs can quickly erode the amount that the managers keep for themselves.

Framlington, which pays only a reduced commission to agents and relies almost exclusively on direct sales to the public via newspaper advertisements, retains a relatively high proportion of the initial charges it collects.

Henderson, by contrast, probably sells less than 5 per cent of its units directly to the public. On all the rest commission payments and volume discounts ensure that a much smaller proportion of the front end is retained — perhaps a 1 to 1½ per cent margin on sales.

A fund manager can also deal in his own units, and this provides the third source of revenues.

Managers will normally offer to sell units to investors at a price 6 to 7 per cent higher than that at which they will buy back units. By moving their price spread within a wider range laid down by the Department of Trade and Industry, and by holding units for their own account in anticipation that the price will move in their favour, managers can make significant dealing profits on their own units.

Box management, as this is known, is a necessary skill for the unit trust manager, if only to speed up the process of buying and selling units.

"We manage our boxes with the intention of making sure we can provide a good liquid market in units," says Mr Nicholas Roach of Allied Dunbar, No. 3 in the industry and the leading proponent of marketing through a tied salesforce. That strategy "enhances our ability to allow people to deal in large numbers."

While dealing profits are easier to make on a fund that is attracting new investors, profits are also possible even if a trust's repurchases outstrip its sales, particularly in rising stock markets.

Buoyant stock markets do also help. If you buy units back from an investor and sell them on again immediately, the spread between buying and selling prices is the 6 to 7 per cent normally quoted. If you hold on to the units for a week, the unit price may increase as the stock market rises, yielding an additional margin.

"Over the last few years, markets have tended to rise and one has tended to make money on them," says Mr John Manser, chief executive of Save and Prosper, the second largest unit trust group.

How important are box profits to unit trust groups earnings? Mr David Freud, an analyst at stockbrokers Rowe and Pitman, estimates that they account for as much as 30 per cent of revenues for Framlington, Henderson and Britannia, a £630m group with a wide range of older funds. At M and G, the largest unit trust group with nearly £1.8bn under management, he calculates the proportion at 18 per cent.

Save & Prosper would be closer to M & G's level than to 30 per cent of revenues, according to Mr Manser, while Allied's Mr Roach says the contribution of box profits is "insignificant."

But Mr Eats of GT argues that, though box management may not produce "colossal profits per se, if your normal margin on sales is only 1 per cent, then the extra 1 per cent you might typically make on box management is very good."

While the UTA restrictions on commission payments should limit the erosion of profitability, the increasing number of management companies competing for unit sales looks set to increase the cost of marketing.

"There has definitely been pressure on margins," says Save & Prosper's Mr Manser. "Particularly on institutional sales we make very little."

But the greatest threat to the fund managers' prosperity lies in the prospect of falling stock markets.

Rowe & Pitman's Mr Freud estimates that if the value of investments fell by 20 per cent this year, and if gross sales halved, a small unit trust operation such as Aitken Hume would move into loss.

Britannia would see unit trust profits fall by 90 per cent, Mr Freud estimates. Less vulnerable would be M & G, because of the size of the funds it manages, and Henderson, on account of its extremely rapid growth. Both would see a 30 per cent drop in profits, he calculates.

Henderson's Mr Burrows admits: "If you get weaker markets then you make less in box management, and less on sales, and less on annual charges as the underlying value of funds goes down. We can cope with a bear market running for a couple of years, but no doubt profits would come under pressure."

## Weather forecasts

# Lessons of a vintage English summer

By David Fishlock, Science Editor

FORECASTING weather—particularly in a summer which has seemed as damp as this one—is like trying to predict the result of a horse-race. Form will go a long way but there are still many unquantifiable factors which can upset the punter's choice.

It is an area in which it is easier to satisfy the professional than the public—at least, the British public, marooned on a small storm-tossed island.

Offshore forecasts alone earn the Meteorological Office over £1m a year. No one is threatening to sue for failure to forecast a storm, as U.S. fishing interests say they will do in that country.

The public, however, demands precision. Will there be sun between 2 and 4 pm for the fete? The forecast is free, but when the avuncular TV face gets it wrong, he shoulders the blame for both the forecast and the weather.

British weather has been particularly unkind for the forecaster this summer. Fairly small-scale, short-lived meteorological events have been erupting in the north Atlantic and nipping ashore to wreak havoc with forecasts.

However much people may grumble about the vagaries of the British summer, they have a general perception that it will turn out warm with at least spells of a few days without rain. Instead—and in sharp contrast to the last two summers—this summer has been not just cool but fast-changing. Britain's network of about 6,000 rainfall measuring stations have recorded rain somewhere almost every day.

In fact, say the forecasters, it is the summers of 1983 and 1984 which were atypical rather than this one.

The Meteorological Office in Bracknell is arming itself with ever more powerful aids to forecasting. Most recently publicised is the network of five weather radars—in Cornwall, Wiltshire, Buckinghamshire, Shropshire and Lancashire—it knitted into one radar system late last year.

The net draws a real-time map of just where it is raining throughout most of England and Wales except for a slice of Dorset and a few coastal corners. The map can pinpoint the rain to within a kilometre and update itself every 15 minutes.


"Didn't think much of the comedian—not a patch on that BBC weather forecaster"

These "snapshots" in colour of rainfall at any instant, when combined with satellite data in a Met Office computer called Frontiers, is promising a new precision in British rain forecasts for a few hours ahead.

But the events that determine the UK's weather take place far offshore, especially in the north Atlantic. If this summer's experience offers a lesson, it is that far more points of measurement have still to be established out in the Atlantic upstream of the UK.

Forecasters rely heavily on meteorological satellites observing the Atlantic weather from a height of several hundred miles, with instruments of strictly limited accuracy. They still supplement the metsat data with more intimate contact with the weather through weather ships, and commercial aircraft and vessels.

But, increasingly, forecasters recognise that what they need is not the time-honoured wind, rain and temperature measurements at sea level. They really need metsats which will take the temperature at many different levels in the atmosphere, to provide a 3-D temperature pattern, to a height of about 30 kilometres.

Today such data is largely restricted to spot checks made by releasing free-flying balloons — radiosondes — from Gibraltar and St Helena, and tracking them by radar. But a new British system for continually gathering data aboard an airliner, and relaying it hourly to the Met Office via a geostationary metsat, is being evaluated on three airlines. The system automatically intensifies its data collection activities whenever the airliner is climbing or descending.

Beyond lies a new generation of metsats capable of penetrating cloud cover and taking the temperature, humidity and wind speed at many levels simultaneously. An important British experiment to this end will be flown in 1989, when the Along Track Scanning Radiometer will attempt to measure sea surface temperatures from earth orbit to within 0.5 degree C, regardless of the cloud cover.

But the fact remains that the forecaster must expect to rely for a long time yet on very sparse data from the crucible in which Britain's short-term weather is mixed — Western Europe and the north Atlantic. He needs a very detailed 3-D picture of temperature and humidity if he is to assess the likelihood of summer thunderstorms, squalls or fog patches.

For longer-term forecasts—more than about one day ahead—all the same problems are writ vastly larger. Britain's weather for next winter is already being mixed globally, shaped, for example, by events in the southern hemisphere, particularly in and over the oceans. If the forecaster cannot glean enough data from the intensely-travelled north Atlantic, how much leaner is his input from more distant seas? Just how important to weather in northern Europe these seas are is a relatively new discovery of meteorology.

The engine into which all this data is feeding is a Cyber 205 computer at Bracknell, programmed since 1982 with a 15-level model.

The steadily growing sophistication of the computer model shows no sign yet of displacing the skills and experience of the forecaster. Early experience with the model failed to take account of some observations with which the forecaster is very familiar. For example, it proved too pessimistic in forecasting showers because it failed to recognise that clouds must reach a certain minimum depth before it will rain.

Nevertheless, the forecaster has learned this summer that, whatever his difficulties, free tips will soon lose him friends when they go wrong.

# Letters to the Editor

## Trading apples for pears

*From Mr K. Fane-Saunders*

Sir,—You refer (August 15) to countertrade as the most insidious threat to free trade and that it is inefficient but flourishing, that it is a legacy of the debt crisis caused by developed countries withdrawing bank credit and that the Government should speak up at international forums to create the conditions which will ensure that countertrade withers.

Some developing countries find countertrade a useful means of protecting their balance of payments because it can enable them to generate new exports. Without assistance in such areas as product development, marketing, distribution and finance, developing countries can sometimes find it difficult to build up their exports. For developing countries to judge their suppliers on their willingness to provide this support to their export effort seems entirely fair. Countertrade is just one more tool for UK exporters to use in their negotiating (along with the quality, price and service of their products which may in any case be very similar to that of their competitors).

No doubt there are companies that solve their countertrade problems inefficiently but they will have to improve or leave the way clear for their competitors. The very fact that countertrade is growing so fast would seem to indicate that companies are finding efficient ways of handling the problem.

The world debt-crisis could well have been avoided if efficient companies from developed countries had played a greater role in making trade a two way affair. Certainly even larger credit facilities to the developing countries is no substitute for helping them to generate new exports.

No doubt there are circumstances when various *quid pro quo* countertrade deals are inefficient and unfair but this is no reason for the Government to try and stop the unstoppable. To the contrary every encouragement needs to be given to our exporters not to shy away from countertrade and this can only be done by making the options and solutions very well known.

K. Fane-Saunders.
*24 Dryburgh Road, SW15*

## A charter for UK schools

*From Mr C. McAllister*

Sir,—Michael Prowse's otherwise excellent article (August 19) is vitiated by the endemic English confusion between "British" and "English," the result almost certainly of the over specialised and Anglocentric education system found south of the Border.

Were he to substitute "English" for British, the article would make a great deal of sense, but there is no "British" education system, as we in Scotland have our own system, different in many ways, and meeting many of the points raised. Thus we do not have the absurd specialised "A" levels, but a broader system of Highers, which enables the choice of arts or science to be postponed until much later. Why do the English never look north for alternative paradigms? The Scottish system certainly has its faults, but it is at present undergoing great changes in both the school and further education sectors, as a result of the introduction of standard grades and modular courses, both of which appear to offer greater flexibility and choice for a greater number of our youngsters than before.

C. A. McAllister.
*140, South Street,*
*St. Andrews, Fife.*

## A quick return

*From Mr B. Coombs*

Sir,—I read Andrew Fisher's article on Mr MacGregor (August 14) with great interest. If I understand his summary of results correctly, the ex-British Steel Corporation chairman saved the British taxpayer his total salary before he went to lunch on his first day in office.

B. D. Coombs.
*39 Brookwell Close,*
*Chippenham, Wilts.*

## The rating system

*From Mr J. James.*

Sir,—Your leader article on rates (August 19), succinctly states the situation facing the Government and Parliament when they review local government finance.

I feel the nail was hit on the head by your last paragraph, for example a property tax is simple, unavoidable and favours reform rather than abolition.

If rates were levied on land values alone, the present disincentive against improvement, wealth creation and job creation would be removed. A value, created by no individual but by the public at large, would be taken to finance public spending and perhaps quiet those who like to equate payment with benefit received. Also, it is little known but a tax or rate on land values reduces land prices. This in itself would not only help to standardise housing benefit, but would also enable a determined Government to eventually abolish mortgage tax relief, etc. and thus reduce income tax levels to such an extent, that those burdens which currently inflate rate levels may be drastically reduced.

What you might care to call a moral, simple, unavoidable form of incentive taxation.

John E. James,
*74 Malyons Road,*
*Ladywell Village, SE13.*

## Free range hens

*From Mr T. Whittle*

Sir,—John Cherrington in "free range emerges from its shell" (August 20), is rather more objective than in January but, like others, he still allows human emotions (the slave trade) to define animal needs.

Hens in cages are not exactly in a "natural" environment, but so few farm animals are. In sheep husbandry, the nearest to free range, lambing is often indoors and a wide range of vaccines, drugs and dips are needed to keep disease and parasites at bay. On the hills, losses from lambing to weaning can be up to 25 per cent.

Cages may not be a perfect environment — they are capable of improvement, but no one has discovered what the hen thinks or really prefers, but hens are relatively primitive creatures, who live for the present. Life in a well designed cage in an adequately ventilated house, warm, comfortable, sheltered from the elements and from predators, sharing ample food and water with three friendly companions, may not be all that bad from the hens' point of view. Drugs and antibiotics are not needed and the eggs are completely free from shell contamination.

It is conceivable that mating a cow by artificial insemination and removing its calf a day after birth (or preventing a hen hatching and rearing chicks) may be to the animal more stressful than environmental problems to which they can adapt. Mr Cherrington might join a visit of unbiased school pupils to a well run cage unit, where the hens seem happy enough.

Egg producers do not "get little help from the EEC," they get none — alone in agriculture they are subject entirely to cruel market forces, without any subsidy. If consumers feel strongly and are willing to pay more for free range eggs, farmers will produce them, but for practical reasons only a tiny fraction of total output. Few farmers would give up their fields for free range hens. Litter and perch systems have attractions, but who knows how the hens feel?

Thomas E. Whittle.
*19, Kildoon Drive,*
*Maybole, Ayrshire.*

## Forty per cent alcohol

*From Mr J. Duff*

Sir,—Apropos the letter from the chairman of the Water Research Centre (August 8) many readers will welcome the news that a personal, qualitative examination of Scotch antifreeze will confirm an alcohol content of at least 40 per cent.

Jack Duff.
*Huis Clos,*
*Kingfisher Road,*
*Chipping Sodbury,*
*Bristol.*

## American Express cards

*From Mr G. Lanciault*

Sir,—Unfortunately for Mr Edwards (August 15), his experience of American Express seems to be the rule rather than the exception. American Express appears to be staffed with computers programmed to read cheques, statements and vouchers but not personal letters. My complaints have also been treated with total disregard despite monthly letters to the company's Brighton address between July 1983 and December 1984. Eventually, on November 15 1984, I wrote the following letter to Mr James T. Larkin, president of American Express in London:

"I would not think of troubling you with a credit card matter if I could find a real, live person, at your offices in Brighton, who knows how to control your computers.

"Over the past 18 months I have been bombarded regularly by dozens of form letters originating from your different departments' computers and, for the most part, making some threats of some sort but never paying any attention to my protests, requests or, simply, my rights. I managed to get some form of relief when I started writing directly to your vice-president and general manager, Mr Freedberg, although I cannot remember ever receiving a reply directly from him.

"I do not know to what extent your other clients are also treated in the same offhand manner, but, I would have thought, after several years of spending an average of £20,000 a year with my American Express card, that I could be upgraded by now to the status of a 'regular patron' who deserves a little more than having to haggle continuously with machines. In my own business (like you, I am in financial services) I make a point of offering 'personal service' to tell all my clients wherever they are and whatever their importance.

Well! the computers are at it again and last week I received two identical letters from two of your computers, cancelling my card. I answered immediately, providing information clearly showing that your accounts control department was at fault. Needless to say that (as of today, over a week later) I have not yet received a reply and not even an acknowledgment. What perturbs me the most is the fact I had also sent copies of my letters and relevant documents to your Mr Freedberg. I can understand that computers can write but cannot read but what about your VP and General Manager?

This is what has prompted me to write to you directly, especially after receiving another computer letter today to which I have replied immediately by Telex, confirming that I am now seeking legal advice as I think the farce has now passed the point of being funny.

I will spare you the copies of past correspondence but you can image how ridiculous I was made to feel by being forced to correspond with your computers. However, I must enclose for your information copies of the latest letters and Telex, in the hope that you know someone alive at your Brighton office, so that you can demand and obtain immediate reinstatement of my account. May I please hear from you in the not too distant future."

Although receipt of my letter was acknowledged at the time by Mr Larkin's secretary pending his return from a business trip, neither he nor anyone else has ever replied to my letter, to this date.

The matter is now in the Royal Court of Justice, London, and when it finally comes to trial, I intend to subpoena all the "names" at American Express with whom I have had to correspond. It would surprise me greatly to find they are not all computers.

G. R. Lanciault.
*87, Jermyn Street, SW1.*

## BUILDING SOCIETY RATES

| | Share | Sub'pn | Other |
|---|---|---|---|
| Abbey National | 8.25 | 8.25 | 0.52 Seven-day account |
| | | | 10.75 Higher interest account 90 days' notice or charge |
| | | | 7.00/9.52/10.00/10.50 Cheque-Save |
| | | | 11.00 High rate bondshare |
| Aid to Thrift | *10.20 | — | — * Easy withdrawal, no penalty |
| Alliance | 8.25 | 8.25 | 10.00 BonkSave. Balance of £2,500. Current account. Balance under £2,500, 9.00. Minimum initial investment £500 |
| | | | 10.00 Gold account. Minimum investment £500. Imm. wdl. |
| | | | 11.00 Premier ½-yearly/mthly. min £1,000. Imm. wdl. (pen.) |
| Anglia | 8.25 | 8.25 | 10.00 Instant gold. Annual int. No notice or penalty |
| | | | 10.75 3-year bd. 90 days' not./pen. Differential 2.5 guaranteed |
| | | | 11.00 Capital plus £10,000+. Annual int. 60 days' not./pen. |
| Barnsley | 8.25 | 10.00 | 10.75 2-year term share—£1,000+—3 months' notice |
| | | | 10.10 Special invest. (28 days' notice) 10.10 monthly inc. a/c |
| Bradford and Bingley | 8.25 | 0.25 | 10.00 No notice, no penalty. £1,000+ |
| | | | 11.00 3 months' notice without penalty. £5,000+ |
| Bristol and West | 8.25 | 0.25 | 9.75 Plus account £1,000+. No notice. No penalty |
| | | | 10.30 £20,000+. 10.10 £5,000+, 9.90 £1,000+ 7-day notice Triple Bonus. Also monthly income |
| | | | 11.00 Special 3-month account, £5,000+, 3 months' notice |
| Britannia | 8.25 | 0.25 | 10.80 90 days' notice |
| Cardiff | 9.75 | 8.85 | 10.80 90 days' notice or penalty if balance under £10,000 |
| Catholic | 8.55 | 8.55 | 10.05 Extra share, £5,001+ 10.30, 30 days' notice |
| Century (Edinburgh) | 8.85 | — | 8.30 Guaranteed rate 2/3 years (or variable account) |
| Chelsea | 8.25 | 8.25 | 11.10 Immediate withdrawal interest pen. or 3 months' notice |
| Cheltenham and Gloucester | — | 0.25 | 10.75 Gold. No notice. No penalties. £20,000+, 10.75. £500-£19,999, 10.25. Under £500, 8.25 |
| Citizens Regency | 8.25 | 8.75 | 10.00 7 days, 10.00 1 month, 10.25 2 months, 10.85 3 months |
| City of London (The) | 8.50 | 0.75 | 10.25 3 months' notice—no penalty—monthly income |
| | | | 0.95 7 days' notice immed. access for amounts over £5,000 |
| Coventry | 8.25 | 0.50 | 11.10 3-year bond £1,000+, close 90 days' notice and penalty, monthly income option, guaranteed 2.85 differential |
| | | | 10.75 Moneymaker £20,000+, 10.50 £5,000+, 10.25 £1,000+, instant access no penalty, monthly income option |
| Derbyshire | 8.25 | 8.50 | 11.00 2 years, 3 months' notice. 10.75 monthly income |
| Frome Selwood | 8.25 | 10.50 | 10.80 90-day account, instant access for balances over £10,000 |
| Gateway | 8.25 | 8.25 | 10.75 Gold star £20,000+. No notice. No penalties. 10.50 £5,000+ 10.03 £1,000+ |
| Greenwich | 8.25 | — | 10.80 80-day account (no notice account 9.50-10.00) |
| Guardian | 8.50 | — | 10.85 6 months' not. £1,000 min. Access to balance £10,000+ |
| Halifax | 8.25 | 8.26 | 0.75 Instant Xtra. Immediate withdrawal no penalty |
| | | | 10.75 90-day Xtra, 90 days' notice no penalty (£500 minimum) |
| | | | 10.60 Premium Xtra (£10,000 min.) guaranteed 2.00 diff. 3 yrs. |
| Heart of England | 8.25 | 0.50 | 11.00 and 10.75 High Interest. 10.00 90-day notice |
| Hemel Hempstead | 8.25 | 8.76 | 11.00 90 days. 10.25 90 days. 10.00 28 days |
| Hendon | 9.35 | — | 10.10 7-day account. Minimum £500 |
| Hinckley and Rugby | 8.25 | 11.55 | 10.80 1-year certain minimum £500 monthly income £5,000 |
| Lambeth | 8.40 | 8.50 | 0.90 7-day a/c. 10.85 Magnum a/c 6 weeks + loss of interest |
| Leamington Spa | 0.35 | — | 10.50 Super share, no notice, 14 days' pen. £2,000 minimum |
| | | | 11.10 Super share, no notice, 14 days' pen. £5,000 minimum |
| | | | 11.40 Super share, no notice, 14 days' pen. £20,000 minimum |
| | | | 10.50 High flyer, no notice, no penalty, £5,000 minimum |
| | | | 10.75 High flyer, no notice, no penalty, £20,000 minimum |
| Leeds and Holbeck | 8.25 | 10.00 | 11.00 Monthly interest, 10.25 28 days' notice, 10.60 90 days' notice or penalty, neither if £10,000 still in account |
| Leeds Permanent | 8.25 | 0.25 | 10.25 HRAS 3 months' notice, 10.00 Liquid Gold no penalty, no notice |
| Leicester | 8.25 | 8.25 | 8.60 £500+ immediate withdrwl. no penalty. 10.75 £10,000+, minimum 1 year, 10.25 £2,000+ minimum 1 year |
| London Permanent | 8.75 | — | 11.00 60 days' notice or imm. wdl. no penalty if bal. £7,500+ |
| Midshires | 8.25 | — | 11.00 Prestige £500, 2.75 old, 3 yrs. 3 months' notice/penalty monthly income £1,000 |
| Mornington | 9.80 | 8.25 | 9.80 £2K, 10.00 £2K, 10.10 £10K+, 10.25 £20K+ |
| National Counties | †8.55 | 9.80 | 10.85 90 days' notice, no penalty £10,000+. † £1,000 |
| National and Provincial | 8.25 | 8.25 | 10.75 APEX 3rd iss. (£2.50 old, 3 yrs.) 60 days' notice/pen. |
| | | | 10.75 Special share 60 days' notice/penalty unless £10,000+. |
| | | | 10.25 Money man. £10,000+. No notice, no penalty |
| Nationwide | 8.25 | 8.25 | 10.75 Capital bonds, 3 years, 90 days' notice/penalty Bonus-90 £10,000-£19,999, 90 days' notice/penalty Bonus-90 £200-£9,999, 90 days' notice/penalty Double bonus, minimum £500, no notice/penalty |
| Newcastle | 8.25 | 8.50 | 10.75 Two-year term. 10.25 60 days' notice. 9.75 7 days' notice. On demand by arrangement |
| Northern Rock | 8.25 | 8.50 | 10.75 Moneyspinner plus £20,000 or more, instant access |
| | | | 10.25 Moneyspinner plus £10,000 or more, instant access |
| | | | 10.00 Moneyspinner plus £5,000 or more, instant access |
| | | | 9.75 Moneyspinner plus £500 or more, instant access |
| Norwich | 8.25 | 8.50 | 8.80 7-day share/monthly income option 10.00 on £10,000+ |
| Peckham | 8.80 | — | 8.90/10.40 Immediate withdwl. if over £2,000. Monthly income |
| Peterborough | 8.25 | 8.55 | 10.85 pa "85" shares—85 days' notice—monthly income |
| Portman | 8.25 | 10.50 | 11.15 Gold Seal. Min. £1,000. 1 yr. term then 3 months notice |
| | | | 10.25 Flexi-Plus. Minimum £500. No notice immediate wdl. |
| Portsmouth | 8.40 | 8.90 | 11.20 5-year, 11.00 3 year, 10.85 90-day, 10.25 30-day |
| Property Owners | 8.75 | 10.25 | 10.75 £10,000+, 10.55 3 months, 10.10 immediate access |
| Scarborough | 8.25 | 9.50 | 10.45 Over 55s no penalties M.I. minimum £250—10.15 |
| Skipton | 8.25 | 8.50 | 10.80 Sovereign £10,000+, 10.30 £500-£9,999 monthly income 10.30 min. investment £2,500, instant access no penalty |
| Stroud | 8.25 | 8.00 | 11.00 2-year term. Notice accounts 10.75 3 months. 10.25 1 month |
| Sussex County | 8.25 | 8.70 | 0.60 7-day, 8.90 Sussex High, 10.75 90-day |
| Thrift | 8.20 | — | 10.20 3-year term. Other accounts available |
| Town and Country | 8.25 | — | 11.00 2-year term £10,000+. 10.75 £500-£9,999 withdrl. avail. |
| | | | 10.75/7.00 Moneywise cheque/Visa int. varies with balance |
| | | | 10.75 Super 60 ½-year interest £500, wdl. available, mth./inc. |
| Wessex | 10.10 | — | — No notice—no penalties—minimum £1 |
| Woolwich | 8.25 | — | 8.75 Prime—no notice, no penalty, minimum £500 |
| | | | 9.75 Monthly income shares, 28-days' notice |
| | | | 10.75 Capital, 90 days' notice/penalty |
| Yorkshire | 8.25 | 9.25 | 10.15 Dis. key, £10,000+ wdl. no pen. —£10,000 28 d. nt./pn. Plat. key, £10,000+ wdl. no pen. —£10,000 60 d. nt./pn. |

All these per cent rates are after basic rate tax liability has been settled on behalf of the investor

# UK COMPANY NEWS

## Johnson Cleaners meets forecast with 41% rise

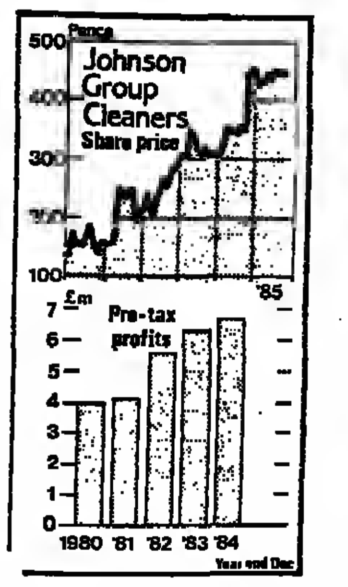
DESPITE HAVING to absorb higher-than-expected interest rates, Johnson Group Cleaners has more than fulfilled its profit forecast for the first half of 1985, made at the end of last year during the successful defence against the takeover bid from Nottingham Manufacturing.

At the pre-tax level, the profit for the six months shows a near 41 per cent advance to £3.83m, against £2.72m achieved in the comparable period. The forecast was for some £3.7m. Turnover, net of VAT, moved ahead by 45 per cent, from £31.21m to £45.26m.

The interim dividend is being lifted from 3.18p to 4.2p net per share. In part the 32 per centage increase goes some way towards reducing disparity with the final and should not be taken as an indication of the likely total increase for the year. In 1984 the final was 15.42p.

Mr Philip Bollom, the chairman, reports that in the half year UK sales and margins in dry cleaning and textile rental have been improved, while the U.S. companies owned at the beginning of the year also performed well and confirmed the expectations expressed at the time of the bid—that the U.S. operation was an emerging factor in the improvement.

Additionally, during this year three further acquisitions have been made in America—Coleman Young Enterprises, Prestige Cleaners and Coulsons. The chairman says all three offer considerable potential and Johnson now has some 25 per cent of the drycleaning market in South Carolina.




In the UK the linen hire division of James Hayes & Sons was sold at the end of June to Brooks Service Group. The resources realised will be used to reduce borrowings.

For the half year trading profit advanced from £3.02m to £5.26m but interest charges took their toll, with a rise from £466,000 to £1.59m. After tax £946,000 (£611,000), which includes £403,000 U.S. Federal Taxes this time, the net profit comes to £2.69m (£2.1m) for earnings of 22p (16p) per share.

There are extraordinary debits of £190,000 comprising reorganisation costs less surpluses on sales of properties, net of tax (credits £274,000).

In the UK the group comprises 12 companies and claims the largest market share in drycleaning, at just under 25 per cent, and a fourth position in market share in textile rental. Drycleaning is offered at 696 shops throughout the country with a shoe repairing service at over 100 of them.

Interest in the U.S. comprises control over nine companies, of which six are drycleaners (some having rental interests) with a total of 171 shops.

**● comment**

Johnson Group Cleaners' pre-tax profit figure is in line with its December forecast but the composition is not quite what was anticipated, for a stronger-than-expected trading performance has been eroded by interest charges driven up by the cost of U.S. expansion. Johnson now seems set on a period of consolidation to allow it to digest its new acquisitions. It would also like to lower the interest charge: the upward trend has been reversed through the sale of its linen hire operation and some property sales should ease it further, but gearing is still likely to be at 50 per cent by the year end against 35 per cent last December. In the second half a slight decrease in interest charges, continued improvement in the trading performance and an increased contribution from the U.S. acquisitions would suggest a pre-tax profit of about £8.25m for the full year. After a 35 per cent tax charge this figure has the shares, up 3p at 448p, on a prospective p/e ratio of 11 justifiably two or three points above the average for the cleaning and laundry sector.

## Sherwood Computer ahead 77%

AS FORECAST when it was floated on the USM in April, Sherwood Computer Services has declared an interim dividend of 1p and says that it is ahead of target for achieving profits of £550,000 and a final payment of 1.75p.

It has also announced the acquisition of the businesses operated by Beaufort Computer Services and Computel from a subsidiary of General Reinsurance Corporation of the U.S. The group provides bureau and software services to the UK life insurance industry. It made losses for the past two years, while it developed new software but since the end of last year has been trading at a small profit.

The price, to be paid in cash, will be based on the assets to be acquired. They are subject to valuation, but will be less than £750,000.

Sherwood says that the acquisition will broaden the range of services it can offer to the UK insurance industry.

In the six months to the end of June 1985, Sherwood saw pre-tax profits rise by 77 per cent to £339,000 (£191,000) on turnover up from £2.95m to £3.52m.

Operating profit was £377,000 (£275,000) and the pre-tax figure was struck after net interest payable of £38,000 (£84,000). With tax taking £140,000 (£78,000) earnings per 10p share came out at 5.8p, compared with 3.8p.

The directors say that the results are ahead of target and the prospects for the second half are good. The company, which provides facilities for insurance underwriters and includes 40 per cent of Lloyd's syndicates among its customers, is increasing its market share.

They add that the results reflect the usual seasonal bias towards the beginning of the year when the adjustments to the previous year's batch of annual contracts are usually made.

The directors are confident that the forecast of full year profits of £550,000, made at the time of the flotation, will be met.

## Evered statement gives away no clues

By Martin Dickson

Evered Holdings, which heads a consortium with a 20 per cent stake in TI Group, the large engineering company yesterday issued a statement on its holding at the request of the Takeover Panel—but gave no clue to its ultimate intentions.

The statement came following widespread press speculation that Evered, a medium-sized Surrey-based engineering company, might mount a bid for the much larger TI. The Evered consortium includes a group of private Saudi Arabian investors.

TI is understood to have expressed concern to the Takeover Panel about press comment on the situation and remarks attributed to Mr Raschid Abdullah, Evered's chairman.

The Panel in turn felt Evered should make a formal statement about its holding.

Yesterday Evered issued a statement, "at the request of the Takeover Panel," which noted "the recent Press comment in relation to its interest in TI Group.

"Evered's interest," it went on, "represents a strategic investment in TI. The directors continue to review the options available to Evered and stress that no decision about the possibility of a takeover has been taken."

Mr Ronnie Utiger, chairman of TI, commented: "This seems to be a non-statement that does not in any way clarify anything."

Meanwhile, the Office of Fair Trading confirmed yesterday that it was carrying out a routine inquiry into Evered's stake to determine whether it amounted to material influence on TI, and if so whether this merited a reference to the Monopolies Commission. Such inquiries are normal when a shareholder's stake passed 15 per cent.

Shares in TI closed last night at 368p, down 5p, while Evered was unchanged at 230p.

## Clay referral angers McCorquodale

BY DAVID GOODHART

THE CONTESTED bid by McCorquodale, the specialist and book printer, for Richard Clay, the book printer, has been referred to the Monopolies and Mergers Commision by Mr Norman Tebbit, Secretary of State for Trade and Industry.

The Office of Fair Trading's recommendation to refer, the first since the British Telecom bid for Mitel in June, drew an angry response from McCorquodale.

Mr John Holloran, managing director, said: "We were not expecting this at all, we are quite stunned. I think we are particularly shocked in the light of the polarisation in the media market and the fact that last week the Octupus merger with Heinemann was not referred and this week Fleet and United Newspapers has also not been referred."

Yesterday was to have been the second closing date for McCorquodale's 10 for 11 offer. Following the price changes after the announcement that valued each Clay share at 125.45p putting a total value of £11.3m on the company.

McCorquodale's shares closed at 150p, a gain on the day of 3p, while Clay was down 10p at 138p.

The McCorquodale board is considering its position and may decide to pull out of the bid. The Commission's report has to be presented within six months.

The Department of Trade said that the proposed merger raised issues of competition in the printing of mass market paperbacks which deserved investigation.

On the face of it that claim is difficult to contest and Mr Charles Birchall, chairman of Clay, who has been lobbying hard for the decision, said he was not surprised.

"I respect McCorquodale, but we sharpen each other up as we are," he said. He added: "We would like to think that we would have seen them off anyway."

The City view was that to stand a chance of success McCorquodale would have had to increase its bid markedly.

According to informal figures collected by Clay from the top 10 paperback publishers, the two companies combined would account for 55 per cent of the market. Clay puts its share at 27 per cent, worth £47.5m, and Cox and Wyman, McCorquodale's paperback arm, taking 28 per cent (£50m) of the £176m market this year.

Of the other big printers, Hazell, Watson and Viney, a subsidiary of the British Printing and Communication Corporation, has 11 per cent; Collins 23 per cent and Hunt Barnard 6 per cent.

If the tied relationship between printers and publishers, such as that between Fontana/Granada and Collins, are discounted then the joint Clay/McCorquodale market share would rise to 75 per cent.

There is no doubt this has been causing some disquiet in publishing circles. At Penguin, for example, there is known to be alarm. At present 50 per cent of new Penguin paperback printing is done with Clay and 30 per cent with McCorquodale.

Mr Simon Master, managing director of Pan, which places 30 per cent of paperback orders with Clay and 20 per cent with McCorquodale, said: "We have a high regard for McCorquodale but we welcome the referral and we hope the bid is blocked."

Mills and Boon, which splits 75 per cent to 25 per cent, Clay to McCorquodale, and Hodder and Stoughton are also understood to be wary of a merger.

McCorquodale does not seriously contest the above figures but places a wider perspective on the issue by pointing to the small size of the paperback market. On its own figures for the total UK book market of £560m in 1983 it quotes itself as having a 7 per cent share, Clay 8 per cent, BPCC 8 per cent, Collins at 7 per cent and imports at 25 per cent.

McCorquodale's more telling point is that with more flexibility in the technology of paperback production even a large market share would not allow it to stop pricing competitively. It also says that increasing polarisation in the international printing industry, large companies, with the ability to keep abreast of the latest technological developments, are essential and we will lose work to foreign competition if we do not move in that direction.

## Ewart shares climb on EGM call

Ewart New Northern, one of Northern Ireland's largest property companies, saw its shares move sharply ahead yesterday on the announcement that three unidentified corporate shareholders have requested an extraordinary meeting.

The £1 shares rose 85p to 350p. The EGM has been called because the three holders, who between them have more than 10 per cent of the equity, wish to propose a share sub-division.

This would split the existing shares into units of 10p each. The meeting has been set for September 12, the date of the annual general meeting.

In Ewart's accounts for the 1984/85 year, the only significant shareholdings shown were those of Mr J. J. McIlroy, a director of Ewart, who held 90,950 shares (11.6 per cent), 45,450 of which were owned by the Jaymax Developments company that he controls; and a holding of 50,000 shares (6.4 per cent) by Dalkeith (Ceylon) Holdings.

Last January Harvard Securities, the licensed securities dealer headed by Mr Tom Wilmot, failed in an attempt to increase its holding in Ewart to 14.9 per cent. Ewart's chairman is Maj G. W. Harding. He is also the head of Belfast-based Capital Gearing Trust, which is currently fighting a £2m takeover bid from Harvard.

## Harvey & Thompson expansion

FURTHER GROWTH is announced by Harvey & Thompson, the USM pawnbroking chain.

In the year ended June 29 1985 profits before tax have risen by 10.15 per cent, from £404,000 to £445,000, and the group has conditionally contracted to purchase the Scottish-based Lewis Group of debt collection and credit assessment companies for a consideration which could top £1.1m.

This follows the acquisition early last month of a London pawnbroking business trading under the name Wilkins Brothers for £300,000 cash.

A substantial increase in the tax charge now that losses brought forward have been fully utilised from £109,000 to £178,000, has led to a reduction in net earnings from 9.37p to 8.5p per share for 1984-85. But the dividend is lifted by 0.5p to 4p, with a final of 2.5p.

In a reference to Wilkins, the directors say it is a long established business with a first-class customer base, but its lending activities have been restricted by insufficient working capital. It operates two shops in Willesden and Fulham, and under the group's management there exists considerable opportunity for a rapid expansion of the loan books, at present standing at £105,000.

The remaining branches are all trading successfully and pledge finances had reached £2.74m by the year-end, an increase of 18.7 per cent on 1984.

The Lewis Group comprises five companies and will be purchased from its chief executive Mr L. M. Lewis. Apart from debt collection and credit assessment, it runs a private detective agency and a corporate debt consultancy company.

Consideration initially will total £750,000, and there is a further deferred element up to a maximum of £367,500 subject to the achievement of certain profit levels in 1985 and 1986. Of the consideration, £720,000 will be met by the issue of 600,000 Harvey shares, and arrangements have been made to place these at 121p.

On a pro-forma basis, the Lewis Group consolidated trading account shows a profit of some £115,000 before tax for 1984, and some £43,000 for the first half of the current year allowing for exceptional losses of £44,000 associated with the start-up of an office in Bradford.

## Beazer buys remainder of Cramlington

C. H. Beazer, the Bath-based property developer and contractor, has bought the 50 per cent holding in Cramlington Investments which it did not control from North British Properties, a subsidiary of Sun Life Assurance Society.

The consideration will be 1.1m new Beazer ordinary shares which at yesterday's closing price of 436, valued the holding at £4.8m.

Cramlington owns the town centre development at Cramlington, Northumberland, with about 40 retail lettings and office space.

Beazer and NBP consider that the best interests of the development would be served by the investment being transferred to one ownership, giving more direct control and continuity.

## Bogod-Pelepah holds dividend

Despite a fall in pre-tax profits from £330,000 to £253,000, Bogod-Pelepah, manufacturer and distributor of textile and clothing machinery, is proposing to maintain its dividend at 0.3p per ordinary share and 0.6p per A non-voting share with unchanged final payments of 0.2p and 0.4p.

Turnover for the year to the end of March 1985 fell from £6.38m to £5.97m. Tax took £119,000 (£135,000) leaving earnings per 10p ordinary share at 1.26p against 1.86p, and 2.52p per 10p A share compared with 3.72p.

## A. Wood in the red

Losses of £11,200 have been incurred by Arthur Wood & Son (Longport) in the first half of 1985, compared with pre-tax profits of £168,100 last time.

The chairman warned shareholders in April of a reduction in turnover in the first three months, and this continued, with group external sales for this earthenware manufacturer down from £1.88m to £1.72m. Exports are down by 20 per cent, mainly due to competition from the Far East.

There was no tax (£70,000), and losses per 5p share emerged at 0.63p (earnings 4.84p).

## General Funds net assets fall

At July 15, net asset value per ordinary share of General Funds Investment stood at 134.4p and the value of the convertible ordinary came to 141.12p. These compare with 147.23p and 150.18p respectively six months earlier.

In the half year ended July 15 1985 the trust reports an increase in gross revenue from £661,294 to £755,320 and in pre-tax profits from £370,782 to £528,405. The directors point out that income for the period should not be taken as an indication of the level for the year as a whole.

The trust has already declared an unchanged interim dividend of 0.55p per share, and this will be paid on September 17.

## Rolls-Royce claims back $4m luxury car tax

BY KENNETH GOODING IN DETROIT

Rolls-Royce, the Vickers subsidiary, has discovered it should not have paid the gas-guzzler tax on its luxury cars in the U.S. and has claimed back about $4m (£2.85m).

In addition the company is not paying the tax for 1985, a year when it earlier expected to have to find $2,650 for each of the 1100 cars it hopes to sell in the U.S.—a total of $3.915m.

Rolls-Royce has never passed on the gas guzzler tax to its customers or dealers, as have some other companies, but instead absorbed the burden itself.

It will not reveal details of the cash it has asked to be refunded—restricted to three years by the U.S. Statute of Limitations—but its payments for the years 1982-84 are a matter of record.

The near $4m it should get back compares with the £14.1m (up from £1.1m) Rolls-Royce contributed to its parent group's £30.8m pre-tax profit for 1984.

However, Rolls-Royce's Lyndhurst, New Jersey-based U.S. marketing arm is taking a low key approach about the issue.

It was only when the company carefully studied the wording of the legislation again recently that it found the tax is limited to cars with an on the road weight of under 6,000 lbs and all Rolls-Royce models on sale in the U.S. are outside that limit.

The company also knows that moves are being made in the U.S. Congress to amend the law so as to bring Rolls-Royce within the orbit of the tax.

Rolls-Royce executives in the U.S. hope that, if this happens, the amendment will not be retroactive and that the company would still be able to claim back for the past three years.

## Distillers

An article in yesterday's FT wrongly stated that Mr John Connell, chairman of Distillers, received a £68,000 pay rise in the year 1984-85. Mr Connell was paid £116,000 in 1984-85, but the £48,000 he received in 1983-84 covered only the last six months of that year, following his appointment as chairman.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Bogod-Pelepah ............ | 0.2 | — | 0.2 | 0.3 | 0.3 |
| A ............ | 0.4 | — | 0.4 | 0.6 | 0.6 |
| British Assets ...3rd int. | 1.75 | Oct 13 | 1.6 | —¶ | 7.5 |
| Harvey & Thompson ... | 2.5‡ | Nov 1 | 2 | 4 | 3.5 |
| IDC Group ............int. | 1.95‖ | — | — | — | 7.5 |
| Johnson Cleaners ...int. | 4.2 | Oct 4 | 3.18 | — | 18.6 |
| Sherwood Computer int. | 1‡ | Nov 4 | — | — | — |

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Total for the year will be at least 6.95p. ‖ Special interim paid as part of takeover by Matthew Hall.

## FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri Aug 23 1985 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | xd adj. 1985 to date | Thurs Aug 22 Index No. | Wed Aug 21 Index No. | Tues Aug 20 Index No. | Year ago (approx.) Index No. | 1985 High | | 1985 Low | | Since Compilation High | | Since Compilation Low | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (206) | 535.61 | +0.1 | 10.55 | 4.14 | 11.94 | 10.52 | 535.18 | 536.32 | 532.83 | 503.24 | 577.15 | 22/1 | 483.38 | 25/7 | 577.15 | 22/1/85 | 50.71 | 13/12/74 |
| 2 | Building Materials (22) | 560.30 | +0.2 | 11.77 | 4.73 | 10.53 | 11.92 | 558.93 | 559.30 | 558.66 | 456.24 | 560.30 | 23/8 | 472.11 | 26/2 | 560.30 | 23/8/85 | 44.27 | 11/12/74 |
| 3 | Contracting, Construction (29) | 838.47 | +0.2 | 11.89 | 4.93 | 10.85 | 17.54 | 837.07 | 834.07 | 832.20 | 681.29 | 838.47 | 23/8 | 684.17 | 8/3 | 838.47 | 23/8/85 | 71.48 | 2/12/74 |
| 4 | Electricals (14) | 1424.94 | +1.0 | 11.23 | 5.19 | 11.30 | 33.14 | 1410.95 | 1414.50 | 1399.28 | 1579.69 | 1701.64 | 22/1 | 1289.36 | 10/7 | 1909.93 | 3/6/83 | 84.71 | 25/6/62 |
| 5 | Electronics (38) | 1450.42 | +0.3 | 10.49 | 3.11 | 12.58 | 27.30 | 1446.05 | 1460.30 | 1454.13 | 1798.27 | 1977.68 | 9/1 | 1268.78 | 3/7 | 2049.05 | 13/11/84 | 1268.78 | 3/7/85 |
| 6 | Mechanical Engineering (62) | 294.89 | −0.4 | 11.04 | 4.74 | 11.06 | 6.15 | 296.20 | 296.39 | 292.95 | 247.88 | 316.14 | 13/5 | 263.85 | 25/7 | 316.14 | 13/5/85 | 45.43 | 5/1/75 |
| 8 | Metals and Metal Forming (7) | 207.02 | −0.9 | 12.11 | 7.59 | 10.39 | 4.13 | 208.97 | 208.22 | 205.28 | 185.96 | 208.97 | 22/8 | 165.08 | 14/1 | 209.74 | 13/3/84 | 49.65 | 6/1/75 |
| 9 | Motors (16) | 167.11 | −0.4 | 13.23 | 5.07 | 9.34 | 3.55 | 167.85 | 166.66 | 165.73 | 119.81 | 175.89 | 15/3 | 142.57 | 3/1 | 175.89 | 15/3/85 | 19.91 | 6/1/75 |
| 10 | Other Industrial Materials (18) | 956.73 | +0.2 | 7.29 | 3.50 | 16.58 | 15.81 | 955.08 | 953.20 | 943.15 | 680.53 | 1023.91 | 6/6 | 828.60 | 3/1 | 1023.91 | 6/6/85 | 277.55 | 15/1/81 |
| 21 | CONSUMER GROUP (176) | 680.23 | +0.2 | 9.45 | 3.84 | 13.20 | 12.36 | 678.93 | 679.76 | 677.15 | 513.96 | 683.36 | 5/6 | 604.96 | 3/1 | 683.36 | 5/6/85 | 61.41 | 13/12/74 |
| 22 | Brewers and Distillers (24) | 657.30 | −0.3 | 10.76 | 4.43 | 11.75 | 13.81 | 659.11 | 660.38 | 660.14 | 505.69 | 660.38 | 21/8 | 550.86 | 3/1 | 660.38 | 21/8/85 | 69.47 | 13/12/74 |
| 25 | Food Manufacturing (21) | 499.73 | +0.3 | 11.87 | 4.87 | 10.82 | 13.09 | 498.07 | 494.38 | 489.04 | 392.50 | 513.86 | 12/3 | 471.62 | 25/7 | 513.86 | 12/3/85 | 59.67 | 11/12/74 |
| 26 | Food Retailing (14) | 1638.60 | −0.2 | 5.90 | 2.55 | 22.59 | 16.93 | 1641.28 | 1653.99 | 1615.61 | 1186.16 | 1662.70 | 5/6 | 1400.36 | 1/3 | 1662.70 | 5/6/85 | 54.25 | 11/12/74 |
| 27 | Health and Household Products (9) | 1072.64 | +0.6 | 6.31 | 2.77 | 18.61 | 11.95 | 1065.83 | 1076.81 | 1068.16 | 888.23 | 1124.51 | 5/6 | 980.65 | 11/4 | 1124.51 | 5/6/85 | 175.38 | 28/5/80 |
| 29 | Leisure (22) | 669.47 | +0.3 | 8.45 | 4.90 | 15.48 | 20.79 | 667.32 | 666.48 | 660.60 | 573.31 | 719.49 | 22/1 | 590.69 | 12/7 | 719.49 | 22/1/85 | 54.83 | 9/1/75 |
| 32 | Newspapers, Publishing (12) | 1847.74 | −0.2 | 8.35 | 4.20 | 15.42 | 37.91 | 1851.73 | 1846.39 | 1834.42 | 1281.32 | 1851.73 | 22/8 | 1445.15 | 3/1 | 1851.73 | 22/8/85 | 55.08 | 6/1/75 |
| 33 | Packaging and Paper (14) | 359.75 | — | 9.85 | 4.11 | 12.05 | 6.20 | 359.59 | 360.66 | 364.90 | 243.20 | 364.90 | 20/8 | 286.36 | 3/1 | 364.90 | 20/8/85 | 43.46 | 6/1/75 |
| 34 | Stores (41) | 682.59 | +0.4 | 7.32 | 3.12 | 18.60 | 9.53 | 679.59 | 680.86 | 681.61 | 443.71 | 685.36 | 15/8 | 529.47 | 19/2 | 685.36 | 15/8/85 | 52.63 | 6/1/75 |
| 35 | Textiles (16) | 327.48 | −0.4 | 13.35 | 5.02 | 8.50 | 7.97 | 328.91 | 327.72 | 325.58 | 267.94 | 341.97 | 11/3 | 293.07 | 3/1 | 341.97 | 11/3/85 | 62.66 | 11/12/74 |
| 36 | Tobaccos (3) | 787.70 | +0.1 | 18.75 | 5.46 | 6.04 | 18.71 | 786.72 | 791.84 | 794.14 | 680.91 | 1010.69 | 8/2 | 767.49 | 25/7 | 1010.69 | 8/2/85 | 94.34 | 13/6/62 |
| 41 | OTHER GROUPS (101) | 688.65 | +0.2 | 9.21 | 4.11 | 14.05 | 14.13 | 687.19 | 687.83 | 685.53 | 458.38 | 722.57 | 15/5 | 605.99 | 3/1 | 722.57 | 15/5/85 | 58.63 | 6/1/75 |
| 42 | Chemicals (19) | 669.78 | −0.3 | 14.66 | 5.66 | 9.02 | 24.95 | 671.83 | 674.88 | 669.69 | 610.06 | 832.26 | 22/2 | 657.14 | 25/7 | 832.26 | 22/2/85 | 71.20 | 1/12/74 |
| 44 | Office Equipment (4) | 207.34 | +0.1 | 7.71 | 4.24 | 15.48 | 3.64 | 207.04 | 207.01 | 203.94 | 138.87 | 207.34 | 23/8 | 154.76 | 3/1 | 246.06 | 1/9/72 | 45.34 | 2/1/75 |
| 45 | Shipping and Transport (12) | 1172.16 | — | 8.16 | 4.45 | 15.21 | 25.71 | 1172.68 | 1173.89 | 1177.03 | 850.40 | 1201.81 | 23/5 | 958.08 | 3/1 | 1201.81 | 23/5/85 | 90.80 | 29/6/62 |
| 46 | Miscellaneous (64) | 857.90 | +0.7 | 7.33 | 3.71 | 16.67 | 14.06 | 851.69 | 846.99 | 842.07 | 636.90 | 899.77 | 3/6 | 787.88 | 26/7 | 899.77 | 3/6/85 | 60.39 | 6/1/75 |
| 48 | Telephone Networks (2) | 890.24 | +0.1 | 8.35 | 3.65 | 15.97 | 14.38 | 889.03 | 892.31 | 892.31 | 0.0 | 932.01 | 15/5 | 701.92 | 3/1 | 932.01 | 15/5/85 | 517.92 | 30/11/84 |
| 49 | INDUSTRIAL GROUP (483) | 652.13 | +0.2 | 9.66 | 5.99 | 13.07 | 12.50 | 651.03 | 651.92 | 649.07 | 507.68 | 666.95 | 4/6 | 599.75 | 3/1 | 666.95 | 4/6/85 | 59.01 | 13/12/74 |
| 51 | Oils (17) | 1153.59 | +0.5 | 16.26 | 7.28 | 7.56 | 39.47 | 1148.31 | 1153.82 | 1136.67 | 1082.82 | 1239.75 | 15/2 | 1042.21 | 3/1 | 1239.75 | 15/2/85 | 87.23 | 29/5/62 |
| 59 | 500 SHARE INDEX (500) | 694.34 | +0.2 | 10.52 | 4.42 | 11.94 | 14.68 | 692.91 | 694.16 | 690.18 | 555.89 | 707.87 | 5/6 | 636.98 | 3/1 | 707.87 | 5/6/85 | 63.49 | 13/12/74 |
| 61 | FINANCIAL GROUP (115) | 489.30 | +0.1 | — | 4.91 | — | 12.39 | 488.83 | 490.51 | 490.28 | 387.34 | 490.51 | 21/8 | 430.10 | 4/1 | 490.51 | 21/8/85 | 55.88 | 13/12/74 |
| 62 | Banks (6) | 494.51 | +0.7 | 18.13 | 5.99 | 7.88 | 19.80 | 490.88 | 490.59 | 489.27 | 363.68 | 503.51 | 8/7 | 420.58 | 15/4 | 503.51 | 8/7/85 | 62.44 | 12/12/74 |
| 65 | Insurance (Life) (9) | 759.62 | −0.6 | — | 4.30 | — | 14.71 | 764.46 | 767.39 | 769.37 | 549.77 | 770.78 | 11/6 | 580.95 | 4/1 | 770.78 | 11/6/85 | 44.88 | 2/1/75 |
| 66 | Insurance (Composite) (7) | 371.79 | −0.5 | — | 5.28 | — | 8.53 | 373.63 | 379.81 | 379.77 | 280.46 | 384.33 | 15/8 | 303.16 | 25/2 | 384.33 | 15/8/85 | 43.96 | 13/12/74 |
| 67 | Insurance (Brokers) (7) | 1146.21 | +0.4 | 8.33 | 3.61 | 16.06 | 21.02 | 1141.38 | 1136.12 | 1127.89 | 847.91 | 1248.70 | 15/3 | 1009.26 | 25/7 | 1248.70 | 15/5/85 | 65.86 | 16/12/74 |
| 68 | Merchant Banks (11) | 233.54 | +0.4 | — | 4.77 | — | 4.92 | 232.67 | 233.79 | 232.14 | 206.74 | 248.76 | 16/1 | 220.65 | 3/1 | 278.57 | 1/5/72 | 31.21 | 7/1/75 |
| 69 | Property (50) | 661.00 | +0.3 | 5.63 | 3.61 | 23.83 | 9.88 | 658.71 | 659.24 | 661.23 | 587.78 | 664.94 | 15/8 | 585.78 | 10/7 | 664.94 | 15/8/85 | 56.01 | 20/4/65 |
| 70 | Other Financial (25) | 279.30 | −0.2 | 10.12 | 5.91 | 12.05 | 8.14 | 279.85 | 279.92 | 279.75 | 246.06 | 296.92 | 6/2 | 261.32 | 26/7 | 303.18 | 18/5/72 | 33.29 | 17/12/74 |
| 71 | Investment Trusts (106) | 586.82 | −0.1 | — | 3.65 | — | 10.05 | 587.36 | 586.83 | 585.46 | 513.39 | 635.62 | 7/3 | 557.78 | 31/7 | 635.62 | 7/3/85 | 71.12 | 13/12/74 |
| 81 | Mining Finance (3) | 260.55 | −0.1 | 12.46 | 5.88 | 9.31 | 5.36 | 260.73 | 263.04 | 258.67 | 277.79 | 311.08 | 15/4 | 240.20 | 5/8 | 337.57 | 10/4/84 | 66.31 | 30/9/74 |
| 91 | Overseas Traders (14) | 601.08 | +0.2 | 12.51 | 6.62 | 9.58 | 23.86 | 600.95 | 598.79 | 599.42 | 562.90 | 687.15 | 22/1 | 595.08 | 19/8 | 687.15 | 22/1/85 | 97.37 | 6/1/75 |
| 99 | ALL-SHARE INDEX (738) | 635.04 | +0.2 | — | 4.50 | — | 13.81 | 633.95 | 635.21 | 632.16 | 513.11 | 644.21 | 5/6 | 581.88 | 3/1 | 644.21 | 5/6/85 | 61.92 | 13/12/74 |

| | Index No. | Day's Change | Day's High | Day's Low | Aug 22 | Aug 21 | Aug 20 | Aug 19 | Aug 16 | Year ago | 1985 High | | 1985 Low | | Since Compilation High | | Since Compilation Low | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FT-SE 100 SHARE INDEX | 1313.5 | +3.8 | 1313.8 | 1307.7 | 1309.7 | 1313.9 | 1307.1 | 1294.9 | 1299.1 | 108.72 | 1342.4 | 15/5 | 1206.1 | 3/1 | 1342.4 | 15/5/85 | 986.9 | 23/7/84 |

### FIXED INTEREST

| | PRICE INDICES | Fri Aug 23 | Day's change % | Thurs Aug 22 | xd adj. today | xd adj. 1985 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 119.73 | +0.08 | 119.91 | 0.28 | 7.36 |
| 2 | 5-15 years | 133.14 | +0.09 | 133.02 | — | 9.11 |
| 3 | Over 15 years | 138.08 | +0.10 | 137.95 | — | 9.21 |
| 4 | Irredeemables | 152.70 | +0.08 | 152.58 | — | 7.27 |
| 5 | All stocks | 130.99 | +0.09 | 130.98 | 0.10 | 8.56 |
| 6 | Debentures & Loans | 112.95 | +0.18 | 112.75 | — | 6.91 |
| 7 | Preference | 79.86 | +0.03 | 79.84 | — | 4.68 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Fri Aug 23 | Thurs Aug 22 | Year ago (approx.) | 1985 Highs | | 1985 Lows | |
|---|---|---|---|---|---|---|---|---|---|
| | British Government | | | | | | | | |
| 1 | Low | 5 years | 9.95 | 9.95 | 11.16 | 11.56 | 28/1 | 9.94 | 29/7 |
| 2 | Coupons | 15 years | 10.32 | 10.15 | 10.71 | 11.20 | 28/1 | 10.08 | 29/7 |
| 3 | | 25 years | 10.24 | 10.24 | 10.72 | 11.11 | 28/1 | 10.08 | 2/1 |
| 4 | Medium | 5 years | 10.60 | 10.60 | 11.88 | 12.39 | 28/1 | 10.58 | 22/8 |
| 5 | Coupons | 15 years | 10.43 | 10.42 | 11.12 | 12.33 | 28/1 | 10.36 | 29/7 |
| 6 | | 25 years | 10.50 | 10.49 | 11.12 | 11.82 | 28/1 | 10.36 | 29/7 |
| 7 | High | 5 years | 10.17 | 10.15 | 10.46 | 12.97 | 29/1 | 10.06 | 29/7 |
| 8 | Coupons | 15 years | 10.55 | 10.37 | 11.26 | 12.73 | 28/1 | 10.52 | 29/7 |
| 9 | | 25 years | 10.30 | 10.26 | 10.56 | 11.63 | 29/1 | 10.30 | 29/7 |
| 10 | Irredeemables | | 9.75 | 9.97 | 10.10 | 10.49 | 28/1 | 9.75 | 23/8 |
| 11 | Debs & | 5 years | 11.43 | 11.46 | 12.44 | 12.63 | 29/1 | 11.35 | 30/7 |
| 12 | Loans | 15 years | 11.45 | 11.36 | 12.31 | 12.52 | 29/1 | 11.38 | 30/7 |
| 13 | | 25 years | 11.22 | 11.24 | 12.15 | 12.37 | 29/1 | 11.18 | 30/7 |
| 14 | Preference | | 12.28 | 12.28 | 13.06 | 13.14 | 29/1 | 12.28 | 9/8 |

BRITISH GOVERNMENT INDEX-LINKED STOCKS

| | | Fri Aug 23 | Day's change % | Thurs Aug 22 | xd adj. today | xd adj. 1985 to date |
|---|---|---|---|---|---|---|
| 8 | All stocks | 111.24 | +0.12 | 111.10 | — | 2.37 |

| | Inflation rate | Fri Aug 23 | Thurs Aug 22 | Year ago | 1985 Highs | | 1985 Lows | |
|---|---|---|---|---|---|---|---|---|
| 15 | 5% | 3.56 | 3.56 | 3.77 | 3.72 | 16/7 | 3.11 | 11/3 |
| 16 | 10% | 3.36 | 3.36 | 3.57 | 3.51 | 16/7 | 2.94 | 11/3 |

| Equity section or group | Base date | Base value | Equity section or group | Base date | Base value |
|---|---|---|---|---|---|
| Telephone Networks | 30/11/84 | 517.92 | Food Manufacturing | 29/12/67 | 114.13 |
| Electronics | 30/12/83 | 1646.65 | Food Retailing | 29/12/67 | 114.13 |
| Other Industrial Materials | 31/12/80 | 287.41 | Insurance Brokers | 29/12/67 | 96.67 |
| Health/Household Products | 30/12/77 | 261.77 | Mining Finance | 29/12/67 | 100.00 |
| Other Groups | 31/12/74 | 63.75 | All Other | 10/04/62 | 100.00 |
| Overseas Traders | 31/12/74 | 100.00 | British Government | 31/12/75 | 100.00 |
| Mechanical Engineering | 31/12/71 | 153.84 | Do. Index-linked | 30/04/82 | 100.00 |
| Office Equipment | 16/01/70 | 162.74 | Debs. & Loans | 31/12/77 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | Preference | 31/12/77 | 76.72 |
| Other Financial | 31/12/70 | 128.06 | FT-SE 100 Index | 30/12/83 | 1000.00 |

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: Applied Computer Techniques has changed its name to Apricot Computers (5), also Computer & Systems Engineering is now CASE (5).

Stefan Wagstyl on the rescue cash call by Blacks Leisure

## The last rites for Greenfields

THE shareholders of Greenfield Blacks, the troubled chain of camping and sports equipment shops, yesterday voted to change the company's name to Blacks Leisure Group, dropping Greenfield from the title.

Rarely can the last rites on a disastrous merger have been performed so quickly.

For the group was created less than a year ago when the unquoted Blacks Camping and Leisure (BCL) came to the stock market by reversing into Greenfields Leisure.

BCL's ambitious management, headed by chairman Mr Murdoch Morrison, took charge with plans to run Black's 22 upmarket shops, famed for supplying expeditions to remote parts of the globe, alongside Greenfields' chain of 66 outlets, selling cheaper lines, typically to family campers.

BCL shareholders exchanged 100 per cent of BCL for 30 per cent of the new company, taking shares at 47p each in a deal valuing the combined group at £9m.

Yesterday, with the shares at 13p, the loss-making, debt-laden company was worth less than £2m. Moreover, if the group is to survive, shareholders will have to stump up new money in a rights issue, details of which are expected next week.

Mr Morrison puts the blame for what went wrong entirely on the Greenfields business. As soon as the new management moved in last October, he says, it found most of the Greenfields shops operating at a loss. The group tried to retrench and reorganise but found the costs too much to bear.

By Christmas, the board had decided to close down virtually the whole Greenfields chain, selling off all but a handful of sites.

The first published results following the merger, covering the 16 months to the beginning of March, reveal the financial consequences. Against a £153,000 loss for the previous period incurred by the old Greenfields Leisure, the combined group lost £3.5m pre-tax. And that was despite a healthy £350,000 contribution from the Blacks chain.

The balance sheet showed borrowings of £5.1m against net assets of just £3.3m. The report was qualified by the auditors who said that the accounts had been prepared on the basis that the group was "a going concern" and would continue to get the support of its bankers.

The story began when Mr Morrison heading a consortium which included Mr Swraj Paul's Caparo Group, bought BCL from Black and Edgington late in 1983 after it had been taken over by the Hawley Group.

In May 1984, the consortium, advised by broker Capel-Cure Myers, bought the Greenfield family's 26 per cent stake in Greenfields Leisure and announced plans for a merger. On the face of it, the idea seemed sound—the two chains were both in the leisure business, they could share administrative and distribution costs and pool their buying power.

Mr Morrison knew from published figures that Greenfields had heavy debts and a patchy trading record, with its performance flattered by regular property sales. But that suggested that there would be great scope for improvement once the BCL management got to grips with things.

The consortium also had other reasons for pressing ahead with the merger—Mr Morrison says that BCL shareholders were anxious to secure rapidly a stock market quotation for their company — the reverse takeover seemed a good way forward.

In anticipation of the deal, Mr Morrison became chairman of Greenfields in May. The company's interim statement, published in July, says that he "made a thorough review of the group and set in motion a number of fundamental changes."

But this week Mr Morrison said that he was in no position last summer to see the extent of the group's problems. He was non-executive chairman at the time and had no access to management information, he said.

It was only after the merger that the scale of Greenfields' problems became apparent. "We did not imagine that we would unlock Pandora's box," says Mr Morrison.

Greenfields' shops were on good High Street sites, but margins on such lines as jeans and sweat shirts were too low to cover the high rents and operating costs, let alone administrative overheads. "It was bad housekeeping," says Mr Morrison.

By the end of the year, the group expects to have just five Greenfields Leisure stores left, plus Greenfields small, though expanding chain of discount toiletries shops, trading under the name Emicare.

Mr Morrison says that the worst is now over, although the group is unlikely to make a profit in the current year.

The bitter irony is that, throughout this difficult time, Blacks' stores have gone from strength to strength, with new shops opening almost every month. There are now 39 stores, with new shops by the end of the year.

The group has expanded from its traditional ranges of camping and climbing equipment to skiing gear and sports wear. It has built up a portfolio of own-label lines.

# INTERNATIONAL COMPANIES and FINANCE

## Sankyo Seiki in bid defence move

By Our Tokyo Staff

Sankyo Seiki Manufacturing, the Japanese precision equipment maker, has taken steps to make itself less vulnerable to a potential takeover by selling shares to a number of banks.

Earlier this month, Minibea, a producer of ball bearings and electronic components, announced that it had acquired 19 per cent of Sankyo Seiki and intended to seek a merger—despite the declared opposition of the Sankyo Seiki board.

Sankyo Seiki has now sought to expand its "stable" shareholder base by selling up to 11m new shares. The move will enable Sankyo Seiki to secure the backing of 59 per cent of its capital, including convertible bonds.

Mitsubishi Bank has acquired an additional 1.1m shares in Sankyo Seiki, the Industrial Bank of Japan 1m, and the Tokyo Kobe Bank, 82 Bank and the Long Term Credit Bank have acquired 1.8m between them.

The takeover approach adopted by Minibea is unusual for Japan, a country where hostile takeover bids are virtually unknown. It has been widely expected that the move would meet with opposition from Japan's financial establishment.

## Toyota Motor pays more as profits surge by 24%

BY YOKO SHIBATA IN TOKYO

TOYOTA MOTOR, Japan's leading motor group, reports strong profits for the year ended June, 1985 and plans to step up its dividend.

Pre-tax profits emerge at Y684bn ($2.9bn), an increase of 24 per cent over 1983-84. The dividend is going up from Y16.50 a share to Y18.50, including Y6.50 of special payments.

Exchange gains, sales expansion, stable low components prices and an improvement in the group balance of financial items all helped underpin the performance.

Net profits were 22.6 per cent higher at Y308.3bn, and on a per share basis advanced from Y104.03 to Y121.420. Exchange gains during the year totalled Y65bn in contrast to currency losses of Y60bn in 1984.

Turnover rose 10.8 per cent to Y6,064bn. During the year Toyota sold 3.5m vehicles (up 4.8 per cent) thanks to favourable exports which rose 11.2 per cent to reach 1.9m units. Domestic sales weakened by 1.7 per cent to 1.63m units.

Exports of buses and trucks rose 20 per cent, thanks to brisk shipments to China and the U.S. Car exports to the U.S. also scored double-digit growth.

Toyota, which has a near legendary financial standing, further improved its cash balances, with net financial income of Y127bn, an increase of Y18bn from the previous year.

During the year capital outlays expanded from Y165bn to Y240bn, and a further Y300bn is earmarked for spending in the current year.

Trading this year is likely to be affected by a slowdown of the U.S. economy, and intensifying competition. Toyota also points to uncertainties in export markets.

As a result, says the company, pre-tax profits may only be maintained despite a projected increase in sales to Y6,300bn.

## More funds available for Hammer Bank

By Our Financial Staff

HAMMER BANK Spadaka, the Ruhr co-operative bank rescued earlier this year in the largest bail-out of a West German co-operative bank, said yesterday it had been guaranteed additional funds of up to DM 627m ($225m) if it should need them.

The guarantees have been promised by the BVR, the country's co-operative bank federation, which injected DM 495m into the bank in January to prevent its collapse because of problem loans.

Hammer Bank grew rapidly under its former chief executive, Herr Paul Schulte, who was dismissed last summer. At the time of the rescue the BVR said the bank had violated the spirit of its co-operative statutes by concentrating 90 per cent of its assets in the hands of very few of its 19,000 members. Also, contrary to its articles of association, it had engaged in operations abroad.

One condition of the rescue was that the bank restructure and trim back its lending to a level appropriate for a sound, local co-operative bank. Hammer said yesterday that it had reduced the volume of its credit business to DM 1.09bn from DM 1.42bn in 1983 as a first step in the restructuring.

Hammer added that large deposits from non-banks had fallen from DM 1.39bn to DM 510m. It said it had also sharply reduced its extra-regional business but gave no details. The BVR said earlier this year that 60 per cent of Hammer's loans were made to clients outside its district and 80 per cent to customers in the building sector.

Following examination of the bank's books by auditors, Hammer has restated its accounts to show a loss of DM 27m for the 1980-83 period. In 1984 and the first quarter of 1985, the bank incurred total operating losses of DM 20.8m, as well as a DM 7m provision for legal, interest rate and other risks.

## Slack demand puts brake on Electrolux

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

OPERATING PROFITS at Electrolux of Sweden, Europe's biggest manufacturer of household appliances, made no progress during the first half of 1985 despite a 9 per cent increase in turnover.

Demand in all its main markets had slackened since last year, but all business areas had maintained earnings levels.

Earnings before tax and allocations increased however, by 12.5 per cent to SKr 1.5bn ($183m) from SKr 1.34bn in the corresponding period last year, helped by extraordinary income of SKr 223m.

The group has booked a capital gain of SKr 176m, on the sale of 1.05m shares in Fermenta, the fast growing Swedish biotechnology and fine chemicals company. Electrolux provided modest financial backing at the beginning of 1982, when the company was taken over by Mr Refaat El-Sayel.

Electrolux has made several further acquisitions during the first half of 1985, including Zanker, the West German manufacturer of washing machines and dryers, Duo-Therm in the U.S., a manufacturer of air conditioning and heating equipment for caravans, and Klippan, the Italian maker of car seat belts.

Electrolux boosted turnover to SKr 18.29bn in the first half of 1985, up from SKr 16.8bn in the corresponding period of 1984. The greater part of a 6 per cent increase in household appliances sales, to SKr 9.08bn, was accounted for by the Zanker and Duo-Therm acquisitions.

Some SKr 55m of costs, chiefly financial, were booked against first half profits in connection with last year's acquisition of Zanussi, the Italian household appliance maker.

## Goodrich to close Oklahoma tyre plant

By Our Financial Staff

B. F. Goodrich, the fourth largest U.S. tyre maker, is to close its Miami, Oklahoma manufacturing plant with the loss of 1,900 jobs as part of its restructuring drive.

The decision means the company will end production and marketing of its farm equipment tyres, off-the-road vehicle tyres and radial heavy-duty truck tyres. The move will focus the company's resources on car and light-truck tyres as envisaged in Goodrich's restructuring programme announced in June. This resulted in a second-quarter charge of $365m.

The company said it had been losing money in the large tyre segment of the U.S. market principally because of depressed market conditions and because imports captured significant market shares.

In the replacement market, imports now represent more than 50 per cent of off-the-road and radial heavy-duty truck tyres.

Goodrich said it had been unsuccessful in finding a buyer for the plant. The company, however, is willing to work with local community leaders to find another tyre manufacturer that would maintain the plant as an ongoing operation.

## Volvo, Skanska strengthen links

BY DAVID BROWN IN STOCKHOLM

THE LINKS between Volvo, Scandinavia's largest industrial corporation, and Skanska, the region's biggest construction group, are to be further strengthened through the formation of a new trading and investment company in which both will hold substantial minority interests.

Catena, the Nordic region's largest car retailer in which Volvo and Skanska hold minority stakes, yesterday bid SKr 740m ($90m) for control of the Goteburg-based Safvean investment group which has Skanska as a major shareholder.

The deal will add a third strong investment and holding company to the so-called Volvo-Skanska sphere, which already includes Cardo and Custos. The new company will have an annual turnover of more than SKr 8bn.

Catena, which has annual sales of over SKr 5bn, is mainly a distributor of Volvo cars and trucks in the Nordic region. "The bid is in line with our strategy to both reduce our independence on car sales while expanding our financial and trading operations," says Mr Lars Bylund, Catena's managing director.

Safvean's major operations include the Jacob and Ponsbach brokerage firm, the Probo Finance Company, and the Bohus property group.

## Pancontinental to buy 50% of Lady Loretta prospect

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Pancontinental Mining, which recently brought on stream its Paddington gold mine in Western Australia, is now seeking to take over the rich grade Lady Loretta zinc-lead-silver prospect in Queensland. This is jointly-owned by MIM Holdings and Elf Aquitaine Triako Mines.

Agreement has been reached for Pancontinental to buy MIM's 50 per cent stake in Lady Loretta for A$10.5m (US$7.4m) payable on completion of the transaction which is expected on October 15.

Pancontinental has also been granted an option to buy the remaining 50 per cent held by Elf Aquitaine Triako for A$10.5m. The option runs for six months from the completion date of the MIM deal and the purchase price is payable in instalments within one year.

Lady Loretta is located some 135 km north-west of Mount Isa. Published ore reserves in the "probable" category are 9m tonnes grading 14.8 per cent zinc, 6.5 per cent lead and 95 grammes per tonne silver using a cut-off grade of 12 per cent zinc equivalent.

These reserves include a higher grade section which could lend itself to early exploitation. The combined metal grade puts Loretta among the world's highest grade polymetallic deposits.

● CRA, the Rio Tinto-Zinc group's 52.3 per cent-owned Australian arm, is selling for an undisclosed price its 50 per cent stake in the Misima Island gold prospect in Papua New Guinea to Canada's Placer Development. Placer, which has managed the project since its inception, will become the sole owner.

Following the sale of Misima, CRA intends to concentrate gold exploration resources on its other gold prospects where it has management control. The group will also continue its existing high level of exploration activities in PNG.

## Nortek in bid for Transway

By Our Financial Staff

NORTEK, THE diversified Rhode Island-based manufacturing group, plans to begin as soon as practicable a $45 a share tender offer for all outstanding shares of Transway International, the U.S. freight forwarder and marine transportation group.

The bid values the target company at $296m and replaces a $40 a share offer made by Nortek earlier this week. Following the first bid Mr John Wolcott, Transway's chairman said the company was not for sale.

## Sandvik shows strong advance at half-time

By Our Stockholm Staff

SANDVIK, the Swedish cemented carbide and stainless steel manufacturer, has nearly doubled pre-tax profits for the first half of 1985 from SKr 463m to SKr 854m ($104m) following a programme of broad-ranging rationalisation.

Turnover climbed by 14 per cent to SKr 6.27bn from SKr 5.51bn. Operating costs climbed at a slower rate of 11 per cent to yield an operating profit, after depreciation, of SKr 948m, up 36 per cent.

There was a drop of SKr 140m in net financial costs.

The group achieved strong growth in north and Latin America, but its most significant expansion in real terms was in Western Europe.

The cemented carbides division, which produces extremely hard cutting tools, saw sales grow SKr 460m to SKr 3.35bn. Profits jumped by SKr 232m to SKr 570m.

Although the steel division reported SKr 341m higher sales at SKr 2.05bn, margins narrowed

## Hang Seng Bank 10% ahead

BY OUR FINANCIAL STAFF

*HANG SENG BANK, the* quoted subsidiary of the Hongkong and Shanghai Banking Corporation, lifted net profits for the first half of 1985 by 9.8 per cent to HK$331.8m (US$42.5m) from HK$ 302.3m and raised its interim dividend by about 10 per cent.

The results were broadly in line with market expectations, and continue the trend of steady advances in earnings at the bank. Earnings per share rose to HK$ 1.09 from 99 cents, while the interim dividend is raised from 39 cents to 43 cents. Both 1984 figures reflect adjustments for a one-for-ten bonus issue in April this year.

The directors said they expect to recommend a final dividend of no less than HK$ 1.14 a share, unchanged from 1984 before adjustment for the bonus issue.

Hang Seng said its assets at the end of June were HK$60.43bn, against HK$56.21bn a year earlier. Hongkong and Shanghai will report its earnings on Tuesday.

● Green Island Cement, a quoted associate of Mr Li Cheung Kong (Holdings), plans to end its shipping operations and write off losses of about HK$150m, according to the company's interim report.

Cheung Kong is to provide a commercial loan to finance the losses. Earlier, Green Island reported a net loss for the first half of 1985 of HK$25.2m, down sharply from a deficit of HK$124.9m a year earlier, which included extraordinary losses of HK$80.3m.

## Fokker raises net income

BY LAURA RAUN IN AMSTERDAM

FOKKER, the Dutch aerospace group, boosted first-half earnings by 16 per cent to Fl 12m ($3.8m), with higher selling prices and lower charges offsetting a one-third plunge in revenues.

A similar trend is expected to continue for the rest of 1985, with turnover falling but net income climbing to another record high following last year's Fl 24m. Fokker said that profit per share, however, will be flat because of a substantial increase in shareholder equity.

The first half was described as "successful" due to the large number of orders for the new Fokker 50 and Fokker 100 as well as the company's older staples, the F27 and F28.

The momentum carried through to the beginning of the second half with a record 100 orders currently in hand, including a big contract from USAir for 20 Fokker 100s and an option for 20 more.

Revenue, meanwhile, plummeted 35 per cent to Fl 526m in the first six months from Fl 813m.



## LONDON TRADED OPTIONS

| Option | | Calls Oct. | Calls Jan. | Calls Apr. | Puts Oct. | Puts Jan. | Puts Apr. |
|---|---|---|---|---|---|---|---|
| B.P. (*546) | 460 | 95 | — | — | 8 | — | — |
| | 500 | 65 | 75 | 22 | 0 | 12 | 10 |
| | 550 | 30 | 35 | 46 | 18 | 25 | 32 |
| | 000 | 5 | 10 | — | 58 | 62 | — |
| Cons. Gold (*452) | 390 | 35 | 00 | 75 | 7 | 15 | 18 |
| | 420 | 33 | 50 | 60 | 17 | 87 | 37 |
| | 460 | 13 | 30 | 42 | 45 | 48 | 02 |
| | 500 | 7 | 14 | 22 | 77 | 88 | 87 |
| Courtaulds (*122) | 120 | 10 | 12 | 23 | 3 | 0 | 7 |
| | 130 | 8 | 12 | 17 | 0 | 8 | 11 |
| | 140 | 4 | 7 | — | 14 | 10 | — |
| | 160 | 2 | 4 | — | 32 | 53 | — |
| Com. Union (*237) | 180 | 48 | — | — | 2 | — | — |
| | 200 | 29 | 33 | 32 | 3 | 0 | 2 |
| | 880 | 14 | 80 | 20 | 9 | 14 | 17 |
| | 240 | 5 | 2 | 18 | 23 | 25 | 27 |
| C.E.C. (*188) | 160 | 32 | 32 | 44 | 2 | 3 | 4 |
| | 180 | 10 | 30 | 30 | 6 | 2 | 10 |
| | 200 | 0 | 12 | 21 | 10 | 20 | 24 |
| | 820 | 2 | — | — | 34 | — | — |
| Grand Met. (*321) | 880 | 48 | 60 | 05 | 1½ | 4 | 0 |
| | 500 | 30 | 43 | 48 | 4 | 8 | 12 |
| | 330 | 9 | 12 | 82 | 15 | 20 | 25 |
| I.C.I. (*649) | 650 | 30 | 54 | 60 | 23 | 33 | 37 |
| | 700 | 9 | 25 | 34 | 57 | 65 | 70 |
| | 750 | 4 | 12 | — | 105 | 107 | — |
| Land Sec. (*305) | 280 | 31 | 37 | 42 | 2 | 0 | 9 |
| | 300 | 13 | 28 | 27 | 6 | 13 | 16 |
| | 330 | 3 | 7 | 13 | 27 | 22 | 29 |
| Marks & Sp. (*154) | 120 | 37 | — | — | 1 | — | — |
| | 130 | 27 | 32 | 30 | 2 | 3 | 4 |
| | 140 | 17 | 23 | 22 | 4 | 2 | 8 |
| | 160 | 0 | 9 | 14 | 12 | 14 | 17 |
| Shell Trans. (*686) | 020 | 45 | 60 | 72 | 8 | 15 | 22 |
| | 700 | 15 | 28 | 45 | 30 | 38 | 46 |
| | 750 | 5 | 13 | — | 75 | 80 | — |
| | 800 | 1½ | — | — | 120 | — | — |
| Trafalgar Hse (*376) | 330 | — | 27 | — | — | 4 | — |
| | 353 | 33 | — | — | 5½ | — | — |
| | 360 | — | 35 | 40 | — | 13 | 16 |
| | 323 | 12 | — | — | 12 | — | — |
| | 390 | — | 16 | 23 | — | 28 | 31 |

| Option | | Calls Aug. | Calls Nov. | Calls Feb. | Puts Aug. | Puts Nov. | Puts Feb. |
|---|---|---|---|---|---|---|---|
| BAT Inds. (*293) | 260 | 40 | — | — | 0½ | — | — |
| | 280 | 80 | 30 | 40 | 0½ | 5 | 2 |
| | 500 | 2 | 17 | 30 | 7 | 18 | 22 |
| | 330 | 0½ | 7 | 12 | 30 | 39 | 42 |
| | 360 | 0½ | 3 | — | 65 | 35 | — |
| Barclays (*393) | 332 | 27 | 77 | — | 0¼ | 2 | — |
| | 560 | — | — | 70 | — | — | 10 |
| | 365 | 17 | 35 | — | 8 | 12 | — |
| | 320 | — | — | 45 | — | — | 22 |
| | 420 | — | — | 20 | — | — | 37 |
| Brit. Aero (*325) | 300 | 68 | 73 | 83 | 0¼ | 1 | 4 |
| | 330 | 38 | 47 | 58 | 0¼ | 5 | 2 |
| | 360 | 10 | 23 | 35 | 4 | 19 | 20 |
| | 390 | 1 | 10 | 20 | 28 | 33 | 35 |
| | 420 | 1 | 4 | 8 | 55 | 58 | 50 |
| | 460 | 1 | 1 | — | 95 | 29 | — |
| Gt. Telecom (*125) | 130 | 25 | — | — | 0¼ | — | — |
| | 140 | 52 | — | — | 0¼ | — | — |
| | 150 | 46 | — | — | 0¼ | — | — |
| | 160 | 30 | 42 | 46 | 0¼ | 1 | 8 |
| | 170 | 36 | 32 | — | 0¼ | 1½ | — |
| | 180 | 18 | 23 | 82 | 0¼ | 4 | 8 |
| | 300 | 1 | 11 | 17 | 6 | 11 | 15 |
| | 220 | 0½ | 3½ | 8 | 25 | 80 | 28 |
| Imperial Gr. (*182) | 180 | 4 | 16 | 21 | 5 | 2 | 13 |
| | 200 | 1 | 6½ | 10 | 21 | 24 | 80 |
| | 220 | 0½ | 3 | — | 41 | 44 | — |
| LASMO (*373) | 240 | 37 | 47 | 58 | 1 | 5 | 2 |
| | 260 | 17 | 32 | 40 | 2 | 12 | 20 |
| | 280 | 2 | 12 | 28 | 10 | 20 | 30 |
| | 223 | 1 | 12 | — | 22 | 30 | — |
| | 300 | — | — | 16 | — | — | 40 |
| | 384 | 0¼ | 2 | — | 63 | 55 | — |

| Option | | Calls Aug. | Calls Nov. | Calls Feb. | Puts Aug. | Puts Nov. | Puts Feb. |
|---|---|---|---|---|---|---|---|
| Lonrho (*158) | 140 | 17 | 25 | 27 | 1½ | 2 | 4 |
| | 160 | 1 | 2 | 15 | 0 | 9 | 11 |
| | 180 | 1 | 3½ | 7 | 25 | 28 | 27 |
| P. & O. (*321) | 350 | 83 | 08 | 73 | 8 | 3 | 0 |
| | 360 | 53 | 40 | 47 | 2 | 7 | 15 |
| | 390 | 4 | 17 | 27 | 0 | 20 | 85 |
| Racal (*160) | 140 | 22 | 28 | 34 | 0½ | 5 | 8 |
| | 160 | 5 | 13 | 20 | 6 | 11 | 14 |
| | 180 | 1 | 0 | 12 | 22 | 24 | 20 |
| | 200 | 1 | 3 | 2 | 42 | 42 | 42 |
| R.T.Z. (*579) | 500 | 82 | 95 | 102 | 2 | 0 | 11 |
| | 550 | 32 | 60 | 72 | 2 | 15 | 20 |
| | 600 | 8½ | 32 | 43 | 27 | 37 | 45 |
| Vaal Reefs (*875) | 70 | 0 | 12½ | 14 | 1½ | 6½ | 2½ |
| | 80 | 1 | 9½ | 10 | 7 | 11½ | 13½ |
| | 90 | 0¾ | 0½ | 2 | 10½ | 18½ | 20½ |
| | 100 | 0½ | 3 | 3¼ | 20½ | 27 | 22 |
| Ex.10% 1989 (*£98) | 94 | 4⅛ | 4⅜ | 4⅛ | 0⅛ | 0⅛ | 0⅛ |
| | 20 | 8⅛ | 2⅝ | 3⅛ | 0⅛ | 0⅛ | 0⅛ |
| | 28 | 0¼ | 1 | 1⅛ | 0⅛ | 0⅛ | 0⅞ |
| Tr. 11¾% 03/07 (*£111) | 106 | 4⅛ | 0⅛ | 5⅛ | 0⅛ | 0⅛ | 0⅛ |
| | 108 | 2⅛ | 3⅝ | 4 | 0⅛ | 0⅛ | 1⅛ |
| | 110 | 0⅛ | 2¼ | 2⅞ | 0⅛ | 1⅛ | 1⅛ |
| | 112 | 0⅛ | 1¼ | 1⅞ | 1⅝ | 2⅛ | 2⅛ |

| Option | | Calls Sept. | Calls Dec. | Calls Mar. | Puts Sept. | Puts Dec. | Puts Mar. |
|---|---|---|---|---|---|---|---|
| STR (*300) | 300 | 65 | 70 | 80 | 8 | 2 | 8 |
| | 325 | 40 | 50 | — | 5 | 2 | — |
| | 330 | — | — | 50 | — | — | 17 |
| | 350 | 22 | 32 | — | 13 | 22 | — |
| | 360 | — | — | 32 | — | — | 32 |
| Beecham (*341) | 300 | 60 | 60 | 65 | 3 | 6 | 9 |
| | 330 | 23 | 35 | 48 | 2 | 12 | 17 |
| | 360 | 6 | 18 | 29 | 20 | 27 | 30 |
| Bass (*572) | 500 | 77 | 90 | 100 | 3 | 7 | 10 |
| | 550 | 35 | 47 | 57 | 10 | 16 | 22 |
| | 600 | 8 | 20 | 30 | 37 | 47 | 47 |
| De Beers (*$4.75) | 460 | 30 | 45 | 05 | 22 | 32 | 42 |
| | 600 | 17 | 87 | 37 | 60 | 60 | 80 |
| | 550 | 5 | 15 | 29 | 85 | 100 | 110 |
| GKN (*230) | 200 | 34 | 39 | 45 | 1½ | 4 | 5 |
| | 220 | 17 | 22 | 28 | 6 | 10 | 12 |
| | 240 | 3 | 9 | 10 | 15 | 19 | 22 |
| Glaxo (*1287) | 1250 | 65 | 100 | 132 | 20 | 35 | 45 |
| | 1300 | 40 | 80 | 115 | 35 | 60 | 85 |
| | 1350 | 18 | 55 | 85 | 70 | 20 | 25 |
| Hanson (*215) | 120 | — | 42 | 45 | — | 3 | 2 |
| | 182 | 36 | — | — | 1 | — | — |
| | 195 | 84 | 32 | — | 2 | 5 | — |
| | 200 | — | — | 33 | — | — | 10 |
| | 215 | 9 | 17 | — | 10 | 12 | — |
| Jaguar (*277) | 260 | 23 | 30 | 42 | 0 | 10 | 15 |
| | 280 | 12½ | 25 | 30 | 13 | 20 | 24 |
| | 300 | 5 | 10 | — | 27 | 31 | — |
| Tesco (*255) | 252 | 25 | 32 | — | 1½ | 2 | — |
| | 240 | — | — | 37 | — | — | 10 |
| | 259 | 12 | 22 | — | 8 | 12 | — |
| | 260 | — | — | 29 | — | — | 22 |
| £/$ (*140.58cts) | 130 | 10.70 | 11.70 | 12.60 | 0.20 | 2.20 | 4.10 |
| | 135 | 5.70 | 8.30 | 2.70 | 0.40 | 3.80 | 5.60 |
| | 140 | 2.10 | 5.70 | 7.20 | 2.10 | 6.40 | 8.00 |
| | 145 | 0.45 | 3.50 | 2.20 | 2.60 | 9.20 | 11.20 |
| $/DM (*32.42 cts) | 34 | 3.34 | 2.23 | 3.40 | 0.07 | 0.36 | 0.21 |
| | 30 | 1.40 | 2.22 | 2.60 | 0.15 | 0.62 | 0.95 |
| | 36 | 0.70 | 1.62 | 2.25 | 0.35 | 1.00 | 1.40 |
| | 37 | 0.28 | 1.10 | 1.65 | 0.27 | 1.55 | 1.85 |

| Option | | Calls Aug | Calls Sep | Calls Oct | Calls Dec | Puts Aug | Puts Sep. | Puts Oct. | Puts Dec |
|---|---|---|---|---|---|---|---|---|---|
| FT-SE Index (*1311) | 1800 | 112 | 117 | — | 187 | 1 | 2 | — | 9 |
| | 1295 | 90 | — | — | — | 1 | — | — | — |
| | 1250 | 65 | 72 | 84 | 87 | 1 | 0 | 2 | 22 |
| | 1275 | 40 | — | 62 | — | 2 | — | 16 | — |
| | 1300 | 19 | 30 | 43 | 54 | 0 | 19 | 32 | 38 |
| | 1325 | — | 12 | 26 | — | — | 32 | 43 | — |
| | 1350 | — | 8 | — | 25 | — | 47 | — | 63 |

Aug. 23 Total Contracts 0,704. Calls 4,579. Puts 2,125
*Underlying security price

## EUROPEAN OPTIONS EXCHANGE

| Series | | Vol. | Last | Vol. | Last | Vol. | Last | Stock |
|---|---|---|---|---|---|---|---|---|
| | | Nov. | | Feb. | | May | | |
| GOLD C | $320 | 14 | 25.50 | — | — | — | — | $336.30 |
| GOLD C | $340 | 9 | 14 | 112 | 23 | 3 | 29 | " |
| GOLD C | $360 | 123 | 5 | — | — | — | — | " |
| GOLD P | $320 | 17 | 4.50 | — | — | — | — | " |
| | | Sept. | | Dec. | | March | | |
| SILVER C | $200 | — | — | — | — | 1 | 80 | $627 |
| SILVER C | $650 | 2 | 15 | — | — | — | — | " |
| SILVER C | $750 | — | — | 50 | 10 | — | — | " |
| S/FL C | Fl.305 | — | — | — | — | 10 | 14 | Fl.303.40 |
| S/FL C | Fl.310 | 15 | 4 | — | — | 156 | 12.10 | " |
| S/FL C | Fl.315 | 25 | 2.20 | — | — | 145 | 10 | " |
| S/FL C | Fl.320 | 172 | 1.30 | 126 | 5.50 | — | — | " |
| S/FL C | Fl.325 | 1 | 0.50 | 227 | 5.20 | 250 | 7 | " |
| S/FL C | Fl.330 | — | — | 4 | 3.50 A | — | — | " |
| S/FL C | Fl.335 | 250 | 0.30 | — | — | — | — | " |
| S/FL C | Fl.340 | 242 | 0.10 | 17 | 1.70 | — | — | " |
| S/FL P | Fl.305 | 65 | 5.40 | 33 | 9.20 | — | — | " |
| S/FL P | Fl.310 | 23 | 0.10 | 22 | 11.80 | 28 | 15 | " |
| S/FL P | Fl.315 | 2 | 7.90 | 3 | 14.20 | — | — | " |
| S/FL P | Fl.320 | — | — | 55 | 18 | 10 | 22 B | " |
| S/FL P | Fl.325 | — | — | 11 | 21.50 | — | — | " |
| S/FL P | Fl.330 | — | — | 5 | 25 | — | — | " |
| S/FL P | Fl.335 | 5 | 25 | 5 | 28.50 | — | — | " |
| S/FL P | Fl.340 | 10 | 30 | — | — | — | — | " |
| S/FL P | Fl.345 | 50 | 35 | 60 | 37.50 | — | — | " |
| S/FL P | Fl.375 | 5 | 36.50 | — | — | — | — | " |
| | | Oct. | | Jan. | | Apr. | | |
| ABN C | Fl.020 | 60 | 6.50 | 65 | 10.50 | 21 | 24 | F503 |
| ABN P | Fl.480 | 83 | 3.00 | 70 | 7 | 1 | 8.50 | " |
| AEGN C | Fl.100 | 73 | 3.50 | 32 | 6.30 | 7 | 8.30 | Fl.100 |
| AEGN P | Fl.100 | 00 | 3.20 | 12 | 4.70 | 7 | 0.80 | " |
| AH C | Fl.240 | 02 | 7.60 | 20 | 13.50 | — | — | Fl.238.50 |
| AH P | Fl.240 | — | — | 20 | 7.50 | — | — | " |
| AKZO C | Fl.120 | 320 | 0.80 | 105 | 10 | 13 | 13 | Fl.123.70 |
| AKZO P | Fl.120 | 157 | 1.80 B | 74 | 3.20 | 51 | 4.60 | " |
| AMRO C | Fl.20 | 30 | 1.50 | 2 | 5.80 | 15 | 6.50 | Fl. 86.60 |
| AMRO P | Fl.85 | 69 | 1.30 | 33 | 3 | — | — | " |
| GIST C | Fl.220 | 20 | 6.60 | 5 | 13 | 18 | 10.90 | Fl.218 |
| GIST P | Fl.220 | 22 | 8 | — | — | 10 | 10.80 | " |
| HEIN C | Fl.150 | 107 | 5.70 | 5 | 8.00 | — | — | Fl.101 |
| HEIN P | Fl.150 | 105 | 5 | — | — | 15 | 5.50 A | " |
| HOOG C | Fl.80 | 411 | 1.20 | 357 | 3 A | 84 | 4.70 | Fl. 61 |
| HOOG P | Fl.60 | 175 | 1.50 | 159 | 2.80 | 23 | 3.30 | " |
| KLM C | Fl.60 | 1220 | 5.40 | 504 | 6.30 | 86 | 0.90 | Fl. 60.20 |
| KLM C | Fl.65 | 284 | 1.10 | 74 | 3.80 | 12 | 4.10 | " |
| KLM P | Fl.60 | 25 | 1.80 | 158 | 2.70 | 15 | 3.80 | " |
| NEDL C | Fl.120 | 89 | 2.80 | 31 | 2.80 A | 5 | 2 | Fl.177 |
| NEDL P | Fl.170 | 54 | 3 | 6 | 8.50 | 10 | 7 | " |
| NATN C | Fl.70 | 28 | 8.20 | 71 | 9.20 | 2 | 10.20 | Fl.78.20 |
| NATN P | Fl.75 | 30 | 1.00 A | — | — | 5 | 4 | " |
| PEO C | Fr.0,909 | 4 | 150 | — | — | — | — | Fr.5,280 |
| PETR C | Fr.6,000 | 5 | 90 B | 3 | 200 | — | — | " |
| PETR P | Fr.0,000 | — | — | 30 | 250 | — | — | " |
| PHIL C | Fl.50 | 53 | 0.50 | 532 | 1.90 | 01 | 3 | Fl.46.20 |
| PHIL P | Fl.45 | 33 | 0.90 | 54 | 2 | 12 | 2.50 | " |
| RD C | Fl.200 | 121 | 2 | 225 | 5.50 | 233 | 7.80 | Fl.190.20 |
| RD P | Fl.180 | 172 | 1.20 | 01 | 3.70 | 195 | 4.60 | " |
| ROBE C | Fl.77.50 | — | — | 25 | 1.20 | — | — | Fl.75.80 |
| UNIL C | Fl.340 | 78 | 0.80 | 62 | 12.50 B | — | — | Fl.328.20 |
| UNIL P | Fl.320 | 251 | 2.80 | 237 | 7 | 3 | 10.50 | " |

TOTAL VOLUME IN CONTRACTS: 18,175

A=Ask B=Bid C=Call P=Put





### Over-the-Counter Market

| High | Low | Company | Price | Change | Gross div (p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 142 | 123 | Ass. Brit. Ind. Ord. | 132 | — | 8.8 | 5.0 | 7.3 | 8.7 |
| 151 | 135 | Ass. Brit. Ind. CULS | 138 | — | 10.0 | 7.2 | — | — |
| 77 | 43 | Airsprung Group | 49 | — | 6.4 | 13.0 | 8.2 | 10.7 |
| *42* | *26* | *Armitage and Rhodes* | *40* | +1 | *4.3* | *10.8* | *4.9* | *6.0* |
| 158 | 108 | Bardon Hill | 157 | — | 4.0 | 2.5 | 19.2 | 20.7 |
| 64 | 42 | Bray Technologies | 63 | — | 3.9 | 2.2 | 7.7 | 8.9 |
| 201 | 158 | CCL Ordinary | 158 | — | 12.0 | 7.6 | 3.9 | 3.7 |
| 152 | 104 | CCL 11pc Conv. Pref. | 104 | — | 15.7 | 15.1 | — | — |
| 130 | 10 | Carborundum Ord. | 124 | — | 4.9 | 4.0 | 6.1 | 2.2 |
| *90* | *83* | *Carborundum 7.5pc Pf.* | *90* | — | *10.7* | *11.9* | — | — |
| 73 | 46 | Deborah Services | 48 | — | 6.5 | 13.5 | 4.6 | 7.4 |
| 487 | 182 | Frank Horsell | 465 | — | 1.4 | 0.3 | 11.4 | 15.4 |
| 385 | 170 | Frank Horsell Pr.Ord.87 | 370 | — | 11.9 | 3.2 | 8.7 | 11.7 |
| 32 | 24 | Frederick Parker | 24 | — | — | — | — | — |
| 75 | 33 | George Blair | 75 | — | — | — | 5.0 | 10.1 |
| *50* | *20* | *Ind. Precision Castings* | *23* | — | *2.7* | *11.7* | *0.3* | *9.8* |
| 218 | 177 | Isis Group | 182 | +2 | 15.0 | 8.6 | 14.0 | 20.9 |
| 124 | 101 | Jackson Group | 104 | — | 5.5 | 5.3 | 7.0 | 7.0 |
| 285 | 213 | James Burrough | 235 | — | 15.0 | 6.4 | 7.4 | 7.4 |
| 94 | 83 | James Burrough 9pcPf. | 91xd | — | 12.9 | 14.2 | — | — |
| 95 | 71 | John Howard and Co. | 86 | — | 5.0 | 5.2 | 0.8 | 10.2 |
| 225 | 100 | Linguaphone Ord. | 190 | −1 | — | — | 7.0 | 7.3 |
| 100 | 91 | Linguaphone 10.5pc Pf. | 91 | −1 | 15.0 | 10.5 | — | — |
| 650 | 300 | Minihouse Holding NV | 570 | — | 6.9 | 1.2 | 24.9 | 23.7 |
| 120 | 31 | Robert Jenkins | 31 | — | — | — | 10.5 | 23.1 |
| 60 | 28 | Scruttons "A" | 31 | — | — | — | — | 7.2 |
| 92 | 01 | Torday and Carlisle | 75 | +1 | 5.0 | 6.7 | 3.8 | 8.9 |
| 444 | 325 | Trevian Holdings | 325 | — | 4.3 | 1.3 | 12.5 | 12.2 |
| 34 | 17 | Unilock Holdings | 34 | +1 | 2.1 | 6.2 | 8.2 | 9.0 |
| 113 | 81 | Walter Alexander | 110xd | — | 8.0 | 7.7 | 6.2 | 7.6 |
| 247 | 198 | W. S. Yeates | 198xd | — | 17.4 | 2.8 | 5.6 | 2.7 |

Prices and details of services now available on Prestel, page 48146

# WORLD STOCK MARKETS

## NEW YORK

WALL STREET

## Easier in pre-weekend trading

AN EASIER tendency prevailed in slow pre-weekend trading on Wall Street yesterday, continuing the downturn of the previous session.

By 1 pm the Dow Jones Industrial Average was off 1.23 at 1,316.87, reducing its rise on the week to a net 4.15, while the NYSE All common index, at $108.43, shed 14 cents on the day but held a 52 cents rise on the week. Declines led advances by a 13-to-10 margin, while the volume was 59.32m shares.

Gary Ciminero, of Fleet Financial Group, said Stock Market investors were concerned because "we've seen nothing in the current statistics that would indicate a pickup in the economy in the second half."

Despite continued news that inflation is moderate, Ciminero said that has been discounted and the market "is translating low inflation into low margins and low earnings."

Tektronix fell $7½ to $55½—it said late Thursday it was going to stop making several computer work stations and said there might be a profit drop in the first quarter. Sales for the quarter, which ended yesterday, were off between 5 and 15 per cent.

Transway International advanced $1? to $14& — Nortek said it plans a tender offer for shares it doesn't already own at $45 per share. Previously, Nortek said it planned an offer for $40 per share. Nortek held unchanged at $16½.

SCM Corp moved up $1¼ to $65½ — it said late Thursday it opposed Hanson Trust PLC's proposed $60 per share tender offer. Traders said there were expectations SCM would attract another bidder.

Revlon gave way $¾ to $46¼—it is fighting a takeover bid from Pantry Pride.

Occidental Petroleum rose $¼ to $32¼.

USF and G Corp led the actives, off $¾ to $33½.

THE AMERICAN SE Market Value Index dipped 0.11 to 231.18 in a volume of 4.5m shares.

BAT Industries led the actives, up $1/16 to $4¼. Ozark Holdings further improved $¾ to $12¾.

**Closing prices for North America were not available for this edition**

### CANADA

Stock prices remained mixed in dull trading around midsession, with no group showing momentum.

The Toronto Composite index was off 0.20 at 2,785.1 and Golds shed 9.4 to 4,596.8, but Oil and Gas put on 7.2 to 3,343.5.

Canada Trustco rose $½ to $45 on 53,253 shares—it advised shareholders to accept Genstar's $45.20 a share takeover offer. Genstar abe $½ to $31½.

Bombardier "A" climbed $½ to $15½ on second quarter profit more than doubled from a year ago.

### AUSTRALIA

Australian shares easier with trading dominated by situation stocks, particularly Castlemaine Tooheys.

Brokers said investor uncertainty about the Government's ability to handle tax and wages issues is accelerating the market's technical correction to recent strong rises.

The All Ordinaries index was down 8.8 at 945.2, the All Industrials 8.4 at 1,380.3, the Gold index 36.6 at 1,049.2, All Resources 9.0 at 608.4, Metals and Minerals 13.9 at 537.9 and Oil and Gas 5.1 at 642.1.

Turnover 76.7m shares valued at A$131.5m.

Castlemaine, up 35 cents at A$8.25, dominated trading for the second day running after Bond Corporation said it had lifted its takeover offer to A$8.25 a share from A$7.50 and had acquired Allied Lyon's 24.9 per cent stake.

More than 5m Bond new shares were traded off-market at A$1.45, which was also the unchanged market price.

A parcel of 8.9m Woolworths shares was crossed in an off-market deal at A$3.30. On market, the shares fell 3 cents to A$3.25.

North Broken Hill rose 7 cents to A$2.55 on continuing takeover speculation.

In Golds, Central Norseman slid 30 cents to A$9.30, Kidston 24 cents to A$5.70 and GMK 30 cents to A$11.20.

### TOKYO

Lower in line with the fall on Wall Street, and also because of the poor profit prospects of major blue chips Electronics in light of the semiconductor recession.

The Nikkei Dow Market Average came back 42.64 to 12,691.41. Turnover 450m (600m) shares, with many investors reducing their activity ahead of the end of the August trading account.

The broad-based S.E. index fell 1.11 to 1,018.50. Volume 12.5m (10m) shares.

International populars extended Thursday's fall, but Biotechnology-related shares improved earlier gains.

Consumer spending-related shares like Department Stores and Supermarkets fell further.

Public spending-related Constructions and Housings also lost further ground.

Biotechnology-related shares were bought in early trading but later turned mixed, with Meiji Seika rising Y7 to Y538 and Kuraray Y10 to Y1,400, but Kanebo lost Y11 to Y516.

### HONG KONG

Little change in moderate trading in the absence of fresh news. The market remains concerned about a possible rise in local interest rates despite yesterday's decision by the Banking Association not to raise rates.

Investors held off ahead of a round of interim results, due to be announced over the next two weeks.

The Hang Seng index shed 1.59 to 1,669.98. Turnover HK$183.14m (HK$270.37m).

The Hang Seng Bank fell HK$1 to HK$45.75 ahead of interim results, due later yesterday — brokers expect profit growth of 8 to 11 per cent.

Bank of East Asia held unchanged at HK$22.80, as did HK Bank at HK$7.70 ahead of interim results on Tuesday.

The market will be closed on Monday for a holiday.

### SINGAPORE

Generally lower on stoploss selling and profit taking in fairly active trading, with intermittent bargain hunting also seen.

The Straits Times Industrial index lost 2.53 to 751.21, while the S.E. All Share index rose 0.12 to 265.24. Turnover 18.1m (11.7m) shares.

Hotels, Properties and Commodities were a shade lower.

Among the active stocks, UOL rose 3 cents to S$1.46 on 2.55m shares and Supreme gained 15 cents to S$1.57 on 840,000 shares. OCBC lost five cents to S$7.90 on 678,000 shares.

National Iron shed 5 cents to S$1.99 following the release of its interim after tax loss.

### GERMANY

A brisk, late rally pulled share prices up from intraday lows to finish mixed in lively trading.

The Commerzbank index fell 11.6 to 1415.0, but the index is taken at mid-session and doesn't reflect late market activity.

Brokers were surprised by the resurgence of buying from abroad and said it centred chiefly on Electrical and Automotive shares. They noted that domestic demand also picked up but focused almost exclusively on Steel issues.

### PARIS

French stocks closed higher in active trading. Brokers said the advance was triggered by the start of the September trading account.

News that France's gross domestic product rose 0.6 per cent in the second quarter after a first-quarter drop of 0.3 per cent was cited as another bullish factor.

### SWITZERLAND

Domestic stocks rallied from a slightly lower start to close mostly above overnight levels.

Trading was hectic, with initial profit-taking quickly absorbed as fresh buying set in towards the close. Turnover was unusually large ahead of the weekend.

Banks and most Industrials ended barely steady, but Financials and Insurances mostly rose. Investors focused on special situation stocks such as unofficially quoted secondliners Ems Chemie, up FFr 150 at 2,180, and Walter Rentsch, up FFr 200 at 4,825. The two companies recently announced higher net profits and dividends.

Secondary Financials were in strong demand, with gains in high-tech issues Hasler and Gavazzi ranging to FFr 150.

### CANADA

| Stock | Aug. 29 | Aug. 01 |
|---|---|---|
| AMCA Intl. | 16⅛ | 16 |
| Abitibi | 80⅛ | 20¾ |
| Agnico Eagl. | 00¼ | 90¾ |
| Alberta Energy | 18⅞ | 18⅝ |

| Stock | Aug. 22 | Aug. 91 |
|---|---|---|
| Cambbell Red L. | 63⅜ | 64⅝ |
| Can. Cement Pt. | 11⅛ | 11 |
| Can. NW Energy | 24⅛ | 24¼ |
| Can. Packers | 34 | 34 |
| Can. Trustco | 44⅞ | 45 |
| Can. Imp. Bank | 36 | 35¼ |

| Stock | Aug. 22 | Aug. 01 |
|---|---|---|
| Domo Mines | 10⅞ | 13¼ |
| Dome Petroleum | 0.80 | 2.85 |
| Domtar | 20⅛ | 20⅝ |
| Falconbridge | 10⅞ | 20 |
| Fed. Inds. A | 16⅛ | 25⅛ |
| Gendis A | 30⅛ | 30⅛ |

| Stock | Aug. 02 | Aug. 01 |
|---|---|---|
| Loblaw | 21 | 20¾ |
| Macmil Bloedel | 20⅝ | 20¼ |
| Marks & Spencer | 11⅞ | 11⅞ |
| Massey Ferguson | 6.80 | 3.65 |
| McIntyre Mines | 41 | 41¼ |
| Mitel Corpn. | 07⅞ | 20 |

| Stock | Aug. 22 | Aug. 21 |
|---|---|---|
| Ranger Oil | 5 | 5¼ |
| Read St'house A | 21¼ | 21¼ |
| Rio Algom | 03¾ | 23⅜ |
| Royal Bank Can. | 30⅝ | 30⅝ |
| Royal Trust A | 22⅜ | 22¾ |

AUSTRIA · BELGIUM/LUXEMBOURG · DENMARK · FRANCE · GERMANY · ITALY · NETHERLANDS · NORWAY · SPAIN · SWEDEN · SWITZERLAND · AUSTRALIA · HONG KONG · JAPAN · SINGAPORE · SOUTH AFRICA

## Indices

NEW YORK — DOW JONES

| | Aug. 22 | Aug. 21 | Aug. 20 | Aug. 12 | High | Low |
|---|---|---|---|---|---|---|
| N.Y.S.E. ALL COMMON | 108.67 | 108.49 | 108.88 | 108.12 | 113.49 (17/7) | 04.60 (4/1) |

| Rises and Falls | | | |
|---|---|---|---|
| Falls | 290 | 543 | 571 |
| Unchanged | 465 | 438 | 487 |
| New Highs | 48 | 43 | 25 |
| New Lows | 16 | 11 | 16 |

| TORONTO | Aug. 20 | Aug. 21 | Aug. 20 | Aug. 19 | 1285 High | Low |
|---|---|---|---|---|---|---|
| Metals & Minerals | 2066.7 | 2882.7 | 2068.8 | 2088.1 | 0180.07 (15/2) | 1862.3 (9/7) |
| Composite | 2765.5 | 2784.4 | 2781.4 | 2785.6 | 2804.6 (26/7) | 8348.6 (8/1) |
| MONTREAL Portfolio | 153.76 | 155.26 | 155.23 | 155.9 | 162.33 (19/7) | 117.00 (4/1) |

### NEW YORK ACTIVE STOCKS

| Thursday | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Jack Eckerd | 2,346,000 | 30½ | +4¼ |
| Pan-Am | 2,035,900 | 8⅛ | −⅛ |
| Revlon | 1,589,800 | 46⅛ | — |
| TWA | 1,396,800 | 22⅛ | — |
| AT&T | 1,254,300 | 21⅜ | −⅛ |
| SCM | 1,234,800 | 64⅞ | +1⅞ |
| Occidental Pet. | 1,048,900 | 31¾ | — |
| Interco | 1,021,100 | 71⅛ | +1⅝ |
| Middle S. Util. | 960,800 | 10 | −½ |
| Church's Chkn. | 958,800 | 15⅛ | +⅛ |

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar steadies

The dollar's recent downward trend was brought to a halt yesterday with resistance building up as the dollar approached the DM 2.74 support level. There was sufficient interest in rather quiet trading to keep the U.S. unit above this point at least for the time being. It may require further gloomy economic statistics to push the dollar below this important resistance level.

In the absence of any further economic indicators, the dollar rose to finish at DM 2.7510 from DM 2.7425, having touched a low of DM 2.7430. Against the yen it was higher at Y236.40 from Y235.85 and SwFr 2.2530 compared with SwFr 2.2435. Against the French franc it rose to FFr 8.40 from FFr 8.3750. On Bank of England figures, the dollar's exchange rate index rose to 135.7 from 135.3.

Sterling was slightly weaker overall and its exchange rate index fell to 82.2 from 82.4, having touched a low of 81.9. Against the dollar it finished at $1.4025-1.4035, a fall of 45 points from Thursday's close. Elsewhere it finished at DM 3.8625 against the D-mark, unchanged from previously.

## £ IN NEW YORK

| | Aug. 23 | Prev. close |
|---|---|---|
| £ Spot | $1.4010-1.4020 | $1.3975-1.3985 |
| 1 month | 0.51-0.48 pm | 0.47-0.46pm |
| 3 months | 1.23-1.10 pm | 1.19-1.15pm |
| 12 months | 2.05-2.80 pm | 2.07-2.87pm |

Forward premiums and discounts apply to the U.S. dollar

## STERLING INDEX

| | Aug 23 | Previous |
|---|---|---|
| 8.30 am | 82.1 | 82.1 |
| 9.00 am | 82.1 | 82.1 |
| 10.00 am | 82.1 | 82.1 |
| 11.00 am | 82.1 | 82.1 |
| Noon | 82.2 | 82.1 |
| 1.00 pm | 82.1 | 82.1 |
| 2.00 pm | 81.9 | 82.2 |
| 3.00 pm | 82.2 | 82.2 |
| 4.00 pm | 82.2 | 82.4 |

## POUND SPOT—FORWARD AGAINST POUND

| August 23 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.3870-1.4065 | 1.4025-1.4035 | 0.50-0.47c pm | 4.15 | 1.23-1.18pm | 3.44 |
| Canada | 1.8935-1.8993 | 1.8935-1.8976 | 0.51-0.42c pm | 2.94 | 1.20-1.05pm | 2.37 |
| Nethlnd. | 4.33¼-4.35½ | 4.33¾-4.34¾ | 2⅝-2⅛c pm | 0.22 | 6¾-5⅞pm | 5.58 |
| Belgium | 77.85-79.50 | 78.25-78.35 | 19-12c pm | 2.38 | 35-21pm | 1.43 |
| Denmark | 13.96¾-14.04 | 14.00½-14.01½ | 4⅝-3⅝ore pm | 3.53 | 9¾-8½pm | 2.59 |
| Ireland | 1.2407-1.2438 | 1.2407-1.2417 | 0.25-0.10p pm | 1.69 | 0.49-0.27pm | 1.22 |
| W. Ger. | 3.85¼-3.86¾ | 3.85¾-3.86¾ | 2⅝-2⅛pf pm | 7.77 | 8⅞-8⅝pm | 6.93 |
| Portugal | 228½-232½ | 228½-231½ | 20-380c dis | −10.43 | 424-1485dis | −16.60 |
| Spain | 226¼-228¼ | 226¾-227¼ | 30-130c dis | −4.23 | 185-365dis | −4.85 |
| Italy | 2,578¼-2,600 | 2,587½-2,589½ | 3 lire dis-2 dis | −0.23 | 7-14dis | −1.62 |
| Norway | 11.41¼-11.48 | 11.44½-11.45½ | par-½ore dis | −0.39 | 2½-3¼dis | −1.00 |
| France | 11.76¼-11.82½ | 11.78¼-11.79¼ | 1⅞-1c pm | 1.48 | ¼pm-1¼dis | −0.28 |
| Sweden | 11.50-11.56¼ | 11.54-11.56 | 3¼-3¾ore dis | −3.01 | 9¾-10¾dis | −3.38 |
| Japan | 330½-332 | 331-332 | 1¾-1½y pm | 6.88 | 4¾-4pm | 5.05 |
| Austria | 27.03-27.18 | 27.03-27.10 | 16½-14⅝gro pm | 6.87 | 43½-39pm | 6.10 |
| Switz. | 3.10½-3.17 | 3.16-3.17 | 2⅝-1⅞c pm | 7.58 | 5½-5¾pm | 6.79 |

Belgian rate is for convertible francs. Financial franc 79.15-79.25. Six-month forward dollar 1.95-1.90c pm. 12-month 3.00-2.85c pm.

## DOLLAR SPOT—FORWARD AGAINST DOLLAR

## OTHER CURRENCIES

| Aug. 23 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Austl. | 1.1192-1.1214 | 0.8000-0.8010 | Austria | 27.00-27.30 |
| Australia Dollar | 1.0805-1.9955 | 1.4185-1.4205 | Belgium | 79.85-79.05 |
| Brazil Cruzeiro | 0.542 9.878 | 0.820-5.840 | Denmark | 13.87 14.11 |
| Finland Markka | 8.2205 8.2355 | 5.8700-5.8720 | France | 11.75-11.88 |
| Greek Drachma | 181.53 185.48 | 128.76 132.40 | Germany | 3.84½-3.88½ |

## EXCHANGE CROSS RATES

## MONEY MARKETS

# Rates firm

Interest rates were mostly firmer yesterday as an acute shortage of short term money percolated through to longer term rates. Severe technical distortions coupled with the effects of the authorities success in keeping interest rates from falling meant that discount houses were exposed to penal rates for secured money. The Bank eventually took out much of the shortage by purchasing bills including some not fully seven days run down. The effect of the shortage and considerable roll over business pushed three-month interbank money up to 11⅞-11⅝ per cent from 11½-11⅝ per cent while three-month eligible bank bills were bid at 11⅝-11 1/16 per cent from 11½ per cent.

UK clearing banks base-lending rate 11½ per cent since July 30.

The Bank of England forecast a shortage of around £1,550m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £1,134m and Exchequer transactions a further £55m. There was also a rise in the note circulation of £255m and banks brought forward balances £105m below target.

The forecast was revised to a shortage of around £1,400m and the Bank gave assistance in the morning of £745m. This comprised outright purchases of £[illegible]m of eligible bank bills in band 1 (up to 14 days) at 11½ per cent and £602m in band 2 (15-33 days) at 11⅜ per cent. In band 3 (34-63 days) it bought £55m of eligible bank bills at 11⅜ per cent and in band 4 (64-91 days) £5m of Treasury bills and £31m of eligible bank bills all at 11⅜ per cent.

The forecast was revised once more to a shortage of around £1,350m, before taking into account the earlier help and the Bank gave additional assistance in the afternoon of £492m. This comprised purchases of £205m of eligible bank bills in band 2 at 11⅜ per cent and in band 3, £2m of Treasury bills, £30m of local authority bills and £101m of eligible bank bills all at 11⅜ per cent. In band 4 it bought £1m of Treasury bills and £60m of eligible bank bills at 11⅜ per cent. Late assistance came to £80m, making a total of £1,317m.

## LONDON MONEY RATES

## Discount Houses Deposit and Bill Rates

ECGD Fixed Finance IV: Average rate of interest period July 3 to August 6 (inclusive): 11.959 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from August 1 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Treasury Bills: Average tender rate of discount 11.0011 per cent. Certificates of Tax Deposits (Series 6). Deposits £100,000 and over held under one month 11⅛ per cent; one-three months 11½ per cent; three-six months 11⅛ per cent; six-nine months 11⅛ per cent; nine-12 months 11 per cent. Under £100,000 10½ per cent from August 9. Deposits held under Series 5 11 per cent. The rate for all deposits withdrawn for cash 7½ per cent.

## FT LONDON INTERBANK FIXING

| (11.00 a.m. Aug. 23) | |
|---|---|
| 3 months U.S. dollars | |
| bid 7 15/16 | offer 8 1/16 |
| 6 months U.S. dollars | |
| bid 8 1/8 | offer 8 1/4 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

## EURO-CURRENCY INTEREST RATES (Market closing rates)

| Aug. 23 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Krone |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short-term | 10-12¼ | 7⅛-7⅜ | 8⅛-8⅜ | 5-5¼ | 1¼-1½ | 4⅜-4½ | 0½-0¾ | 8-15 | 8½-9⅛ | 8¾-0 | 6⅛-6¼ | 8⅜-8½ |
| 7 days' notice | 12-12¼ | 7⅜-7⅝ | 8¾-0 | 5⅛-5¼ | 10⅝-10⅞ | 4⅛-4½ | 9½-0¾ | 6½-9⅛ | 8⅝-9⅛ | 8⅞-9 | 6⅛-0⅝ | 8½-8⅝ |
| Month | 11⅝-11¾ | 7⅝-7⅞ | 8⅞-9 | 5⅛-5¼ | 4⅛-4⅜ | 4⅛-4⅜ | 10¼-10⅝ | 11½-12½ | 9⅞-10⅛ | 9⅛-9⅜ | 6⅛-6⅜ | 8⅝-8⅞ |
| Three months | 11½-11⅝ | 7⅞-8⅛ | 8⅛-8⅜ | 5⅛-5⅜ | 4⅛-4⅜ | 4⅜-4½ | 11⅛-11⅜ | 12⅝-13⅝ | 9⅞-10⅛ | 9⅛-9⅜ | 5⅞-6⅛ | 8⅞-9 |
| Six months | 11⅜-11½ | 8⅛-8⅜ | 9⅛-9⅜ | 5⅛-5⅜ | 4⅛-4⅜ | 4⅜-4⅝ | 11⅝-12 | 13½-13⅞ | 10-10⅛ | 9⅜-9⅝ | 5⅞-6⅛ | 8¾-9⅛ |
| One year | 10⅞-11 1/16 | 8½-8⅝ | 9½-8⅞ | 5⅛-5⅜ | 4⅛-4⅜ | 4⅜-4⅝ | 11⅝-12 | 13¾-14⅛ | 10-10⅛ | 9¾-10 | 5⅜-5⅝ | 9⅛-9⅜ |

Asian $ (closing rates in Singapore): Short-term 7⅛-7⅜ per cent; seven days 7⅜-7⅝ per cent; one month 7 13/16-7 15/16 per cent; three months 7 15/16-8 1/16 per cent; six months 8 1/16-8 3/16 per cent; one year 8 5/16-8 7/16 per cent. Long-term Eurodollars: two years 9⅛-9⅜ per cent; three years 10-10⅛ per cent; four years 10⅛-10⅜ per cent; five years 10½-10⅝ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

# COMMODITIES AND AGRICULTURE

## WEEKLY PRICE CHANGES

## REVIEW OF THE WEEK

# Platinum the main focus of attention

BY ANDREW GOWERS

Concern over unrest in South Africa this week provided volatility in precious metal markets of a kind they have not seen for months.

Platinum was the main focus of attention, both in London and New York. At one point on Monday, the metal—which until recently was languishing below $280 an ounce and at a significant discount to gold—rose above $340, and it even briefly outstripped gold before falling back at the close.

Yesterday, platinum was quoted at $323.25 after dropping sharply on the New York futures market on Thursday night.

Gold also rose to its highest levels this year early in the week, and despite setbacks later on, it seemed to be re-establishing itself in a new higher trading range above $330 an ounce. Yesterday it closed at $333.25.

Traders said two factors seemed to be tugging the precious metals in opposite directions: first, the political events in South Africa and secondly, the performance of the dollar and the U.S. economy.

The South African situation, and its attendant threats of industrial disruption, aroused fears of a cutoff in supplies of both metals.

By contrast, the renewed strength of the dollar and the slowing down of the U.S. economy—as illustrated by a reported drop in durable goods orders—sparked selling of both platinum and gold in New York on Thursday.

Whichever way the two metals bounced, however, platinum bounced further. This primarily reflected the narrow and traditionally volatile nature of its market.

But there is also a consensus among traders and analysts that platinum stands by definition to gain more than gold from South Africa's troubles, as a result of its status as an increasingly important metal. Pretoria's near-monopoly on supplies, and the fact that above-ground stocks of it are thought to be significantly lower than those of gold.

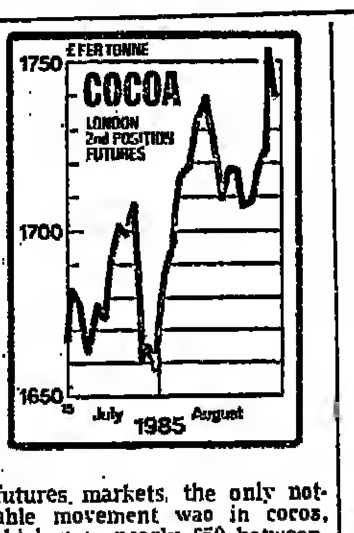
Most other markets were quiet this week, largely dominated by currency movements. Worries over the high level of stocks in official warehouses of the London Metal Exchange depressed copper prices.

Stocks rose the previous week by 10,350 tonnes to 189,925 tonnes, their highest level in more than a year, and the three-month higher-grade copper price was down £22.25 on the week by yesterday's unofficial close, despite rising slightly during yesterday.

Nickel prices enjoyed a brief flurry on Tuesday and Wednesday amid news of a strike at Falconbridge's mining operations at Sudbury, Ontario, but this proved short-lived when workers and management reached agreement and the miners voted to return to work. Prices were little changed on the week.

In London's soft commodity futures markets, the only notable movement was in cocoa, which rose nearly £50 between the end of last week and Thursday of this before falling more than £14 yesterday. The main factor supporting prices was concern over the possible effects of disease on new season crops in Brazil and Nigeria.

These were cited by leading brokers Gill & Duffus as likely to lead to a smaller supply surplus in the cocoa year which begins next month, following an estimated 95,000 tonne surplus in 1984-85.




## AMERICAN MARKETS

PRECIOUS METALS showed a slightly firmer trend with gold and platinum continuing to lead on trader's reluctance to maintain short positions into the weekend, reports Heinold Commodities. Copper and aluminium were generally lower reflecting a lack of user demand. Sugar firmed on the emergence of Japanese purchases along with unfavourable weather in Europe. Cocoa weakened on origin selling. Coffee continued to attract scattered roaster interest on the failure of Brazil to open export registration for November. Cotton continued to reflect a bearish tone on fears of distressed selling by producers as the harvest commences. Heating oil moved fractionally higher and was basically featureless on lack of fundamental news. Grains and soyabeans traded marginally lower in a very narrow range: market support was essentially derived from light spot supplies in maize and soya

## NEW YORK

ALUMINIUM 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| August | 44.95 | — | — | 45.15 |
| Sept | 45.05 | 45.15 | 45.00 | 45.15 |
| Oct | 45.40 | — | — | 45.30 |
| Dec | 46.15 | 48.25 | 40.15 | 46.25 |
| Jan | 46.50 | — | — | 46.60 |
| March | 47.25 | — | — | 47.35 |
| May | 47.95 | — | — | 48.05 |

## CHICAGO

## ALUMINIUM

## TIN

## COPPER

## SILVER

## LEAD

## NICKEL

## ZINC

## GRAINS

## OIL

## GOLD

## INDICES

FINANCIAL TIMES

REUTERS

DOW JONES

## FREIGHT FUTURES

## SUGAR

## COCOA

## SOYABEAN MEAL

## COFFEE

## PIGMEAT

## POTATOES

## RUBBER

# LONDON STOCK EXCHANGE

## MARKET REPORT

# Interest rate optimism underpins equity sectors

# FT index at best level since June 11

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| July 29 | Aug 8 | Aug 9 | Aug 19 |
| Aug 12 | Aug 29 | Aug 30 | Sept 9 |
| Sept 2 | Sept 12 | Sept 13 | Sept 23 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

The second leg of the three-week August bank holiday Account drew to a close with equities and Gilt-edged extending their recent gains.

Investors continued to pin their hopes on the possibility of a cut in bank lending rates in the next few weeks and remained undisturbed by recent forecasts from the National Institute for Social and Economic Research and the Oxford Review of Economic Policy that industrial output would remain stagnant and unemployment continue to rise. More attention was attached to the latest inflation forecasts; it is predicted that it would halve to 3.5 per cent by the fourth quarter of next year. The call earlier this week by the CBI for an immediate cut in interest rates remained a bullish factor.

Equity sectors opened on an easier note with sentiment unsettled by Wall Street's 11 point decline overnight following the disappointing 2.8 per cent fall in U.S. durable goods orders for July. However, early losses in leading industrials were recouped around mid-morning when institutional support was forthcoming as sterling dipped against the dollar. The pound subsequently rallied, but blue chips improved further, ignoring the impact of strong sterling on overseas earnings to close around the day's best levels reflecting a continuing stock shortage.

The FT Ordinary share index, which showed a 0.5 decline at the 10.00 am calculation, subsequently rallied to close with a net gain of 4.2, a week's rise of 16.7 and its best closing level since June 11.

Gilt-edged opened with gains of around ¼ to ⅜ in longer-dated stocks and held steady throughout the period when sterling reacted against the dollar. The subsequent rally in the pound triggered renewed support for Government stocks which eventually settled with rises in the region of ⅜. Shorts recovered initial minor falls and closed little changed on balance, while index-linked stocks improved

### Insurances dip and rally

Press comment drawing attention to losses connected with underwriting the Extracare extended warranty Insurance scheme put Composite insurances under pressure initially, but the appearance of buyers at the lower levels helped most issues close well above the worst. Royals were particularly affected and reacted to 653p prior to closing a net 5 down at 658p, but General Accident, down to 613p at first, rallied strongly to close unchanged at 623p. Sun Alliance settled 8 lower at 503p, after 497p and Commercial Union a penny cheaper at 228p, after 224p. Guardian Royal Exchange, the subject of a broker's bearish circular on Thursday, dipped to 740p before picking up to close 5 dearer on balance at 750p. Life issues remained subdued. Prudential lost 10 to 698p; the interim results are due on September 12. Pearl, which revealed disappointing half-year figures earlier in the week, slipped ⅛ to £11⅛. Insurance brokers began cautiously with sentiment not helped by reports that the Lloyd's insurance market is set to report a record underwriting loss. Buyers soon reappeared however, and quotations closed on a distinctly firm note. Hogg Robinson closed 4 higher at 286p, as did Minet at 197p. Willis Faber were also 4 better at 679p, while Sicel Burrill Jones, with results due soon, rose 11 more to 415p.

The major clearing banks were selectively firm. Lloyds rose 6 to a 1985 peak of 437p, while NatWest improved 6 to 674p.

Early excitement in the drinks sector was provided by Allied-Lyons which dipped to 224p before closing a net 5 cheaper at 226p as the company accepted Bond Corporation's increased offer of A$8.25 per share for its near-25 per cent stake in Australian brewery Castlemaine Tooheys: the stake sale realised around £155m for Allied. Arthur Bell shares not assented to the offer closed 6 higher at 267p as Guinness declared its offer unconditional having received acceptances for around 65 per cent of Bell. Guinness finished at the overnight level of 270p. Another active business developed in Distillers which rose 8 more to 313p, after 316p, as talk of stake-building by GEC or Hanson Trust persisted: sentiment was also helped by indications of record whisky exports.

Leading Buildings finished the second leg of the extended Account in irregular fashion. Rugby Portland Cement attracted support following a Press suggestion that Consolidated Gold Fields may launch a bid and touched 129p prior to closing a net 3 up at 128p. Blue Circle, interim results due next Thursday, hardened a couple of pence to 497p, but BPB Industries softened 3 to 282p on lack of interest. Among Contracting and Construction issues, occasional offerings in front of next Tuesday's half-timer clipped 7 from Taylor Woodrow at 455p. Elsewhere, news that dealings in the shares of the company's South African subsidiary had been suspended in Johannesburg pending the outcome of a transaction lifted Alfred McAlpine 8 to 250p. Raine Industries hardened a penny to 23p on the announcement that Suter had increased its holding to 15.03 per cent. French Kier, in which Trafalgar House holds a sizeable stake, slipped 3 to 194p, but Persimmon firmed that much, to 112p.

ICI continued to trade quietly and, after edging a few pence higher initially, drifted off to close 3 cheaper on balance at 649p. Among other Chemicals, Wardle Storeys found support at 192p, up 4, while William Ranson firmed 5 to 270p in a restricted market.

Stores remained relatively subdued. Leading Retailers finished with modest gains with British Home 5 to the good at 289p and Woolworth 6 dearer at 468p. Secondary issues remained quietly irregular. Revived support lifted Owen Owen 10 to 380p, while Dixons hardened a few pence to a 1985 peak of 780p. Body Shop, on the other hand, encountered profit-taking and, in an extremely thin market, gave up 15 to 730p.

### Thorn EMI better

Electricals finished the week on a selectively firm note. Thorn EMI featured, touching 380p before settling a net 12 higher at 376p amid revived bid chatter. Plessey, still hoping for favourable news on defence contracts, hardened 4 more to 154p, while interest was again noted for Cable and Wireless, 3 up for a two-day gain of 18 at 568p. Amstrad encountered sporadic profit-taking and gave up a couple of pence to 96p, after 94p, but still retained a rise on the week of 14 in response to publicity given to the launch of the new PCW8256 business computer. USM-quoted Sherwood Computer Services advanced 13 to 188p in reply to the 77 per cent expansion in mid-term profits. Recovery hopes continued to bolster Sound Diffusion, another 6 higher for a three-day improvement of 18 at 62p, while scattered support lifted Stone International 8 to 167p and Louis Newmark 10 to 210p.

The Engineering sector was again highlighted by the continued upsurge in Vosper which raced ahead to close a further 15 up at 237p—a week's gain of 68—reflecting Government compensation hopes and strong buying ahead of the interim results which are expected in mid-September. Other firm features in the sector included BM Group, 11 better at 122p Desoutter Brothers, which moved up 5 more to 170p, Hopkinsons, 4 harder at 158p and William Cook which rose 3 to 61p. TI attracted renewed profit-taking and dipped 5 to 368p following the statement by Evered Holdings that its 20 per cent holding in TI is held as a strategic investment. Telfos eased 2 to 76p but retained a week's gain of 14 following the better than expected interim figures and proposed scrip issue.

The Food sector displayed several interesting movements. S. and W. Berisford, a late firm feature on Thursday, gained 5 more to 177p amid speculation about the possible sale of its sugar commodities division or the disposal of its near-15 per cent stake in Ranks Hovis McDougall. RHM touched 156p before profit-taking left the close just 2 dearer on balance at 152p. Tate and Lyle continued to respond to a broker's circular and rose 5 for a two-day gain of 20 to 465p, but Argyll Group encountered late selling on talk that the company was about to announce an acquisition and shed 4 to 328p. Recently-dull Avana rallied strongly with the help of a couple of brokers' circulars to close 25 higher at 587p. USM-quoted Sims Catering gained 7 more to 165p in the wake of acquisition news, but Pyke Holdings, at 313p, lost 5 of the previous day's gain of 13; Glen International has increased its stake in Pyke to 8.93 per cent.

Profit-taking in the wake of the interim results clipped 8 from Garfunkels at 128p.

### Boots firm

Press suggestions that the company was currently engaged in a revaluation of its properties prompted support for Boots which moved up 5 to 200p, while comment on the group's proposed £535m tender offer for SMC Corporation of the U.S. encouraged further demand for Hanson Trust, up 3 more at 215p. Elsewhere in the miscellaneous industrial sector, recently-firm British Aerospace encountered profit-taking and came back 10 to 363p; the new shares lost 8 to 190. Fisons settled a couple of pence cheaper at 361p despite publicity given to a broker's favourable circular, while Glaxo softened ⅛ to £12⅞ on currently influences. Among the second liners, P. Harris gained 12 more to 190p on hopes of an offer from W. Canning which recently acquired a stake in the company, while Appledore rose 27 to 318p in a restricted market on talk of a broker's bullish circular. Demand in a market short of stock lifted Siebe 23 to 568p, while favourable comment left BBA Group 9 higher at 117p. Harvey and Thompson firmed 7 137p in reply to the good annual results and acquisition news, but A. Wood fell 10 to a low for the year of 68p following dismal half-year figures. Expamet firmed 4 afresh to 117p; the mid-term results are due on September 10.

Fleet Holdings succumbed to profit-taking and eased a few pence to 338p—still up 28 on the week following the Monopolies Commission clearance of the intimated offer from United Newspapers, unchanged at 300p. In contrast, printers Richard Clay slumped 10 to 138p as the hostile bid from McCorquodale lapsed after being referred to the Monopolies Commission. The latter hardened 3 to 150p. Elsewhere, Good Relations remained volatile and shed 7 to 218p, while the first-half figures left Ault and Wiborg 2 off at 44p.

Leading Properties, neglected in recent days, attracted revived support and made reasonable progress. MEPC firmed 4 to 297p and Land Securities improved 2 to 305p. Secondary issues were featured by Ewart New Northern which gained 65 to 350p on the announcement that three corporate shareholders which together speak for more than 10 per cent of the issued share capital had requisitioned an EGM to consider a share subdivision. Trafford Park Estates met with a sudden burst of speculative buying and rose 18 to 225p, but recent favourites Regalian encountered profit-taking and came back 10 to 235p. C. H. Beazer hardened a couple of pence to 436p; the company has acquired the 50 per cent of Cramlington Investments not already owned from North British Properties, a subsidiary of Sun Life Assurance.

Textiles continued to provide a host of features. Allied Textiles, buoyant of late on hopes of another bid approach, encountered profit-taking and fell 42 to 413p, after 400p. In contrast, buyers displayed enthusiasm for Hugh Mackay, 12 better at 80p, and for Don Brothers Buist, 13 dearer at 225p, a two-day advance of 27. Strond Riley Drummond, were again the subject of "call" option business and hardened a couple of pence to 52p following news of a cash acquisition from Illingworth Morris, 5 up at 80p.

### Oils below best

Leading oils made good progress in early trading following institutional support. However, the uptrend was halted mid-morning when LASMO came under heavy selling pressure following talk that a broking firm had downgraded its forecast of the company's interim profits, scheduled for September 3; up to 286p early on LASMO subsequently ran back to close 2 cheaper on balance at 273p. BP touched 551p before ending the day only a shade better on balance at 547p while Shell closed a like amount up at 685p, after 691p. Tricentrol remained the subject of takeover speculation and moved up 8 to 193p while bid talk also sustained Ultramar finally 5 firmer at 220p. Elsewhere, Petrocon jumped 10 to 145p as did Sun (UK) Royalty, 135p.

### Quiet Mines

South African sectors of mining markets were much quieter following confirmation that the threatened strike by black mineworkers in South Africa's coal and gold mines had been postponed until early-September. The postponement followed new offers on pay and conditions made to members of the National Union of Mineworkers by the companies represented in the dispute by South Africa's Chamber of Mines.

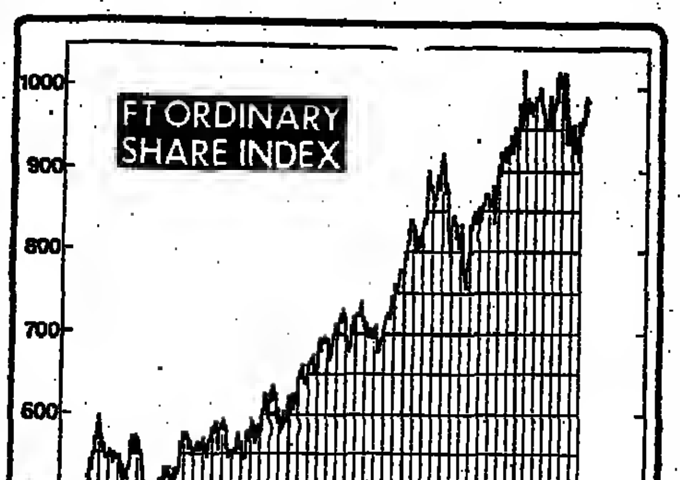
Golds came under pressure in early trading, reflecting the poor performance of bullion in overnight American markets. However, bullion's much improved tone during London trading, and a partial recovery by the South African Rand led to some bargain hunting in the Gold sector which picked up sufficiently to produce a 1.2 rise in the Gold Mines index to 311.3.

Top quality golds generally closed with small gains on balance—rises of around ¼ were common to Randfontein, £57, Kinross, £10, Vaal Reefs, £53¾ and Southvaal, £23¾, but the majority of lower priced issues showed minor losses. Durban Deep settled 25 off at a year's low of 676p, Elandsrand dipped 8 to 471p and Western Areas eased 3 to 192p.

Business in Financials was reduced to a trickle. London-registered issues consolidated recent gains and showed minor movements in either direction. South African Financials were virtually unaltered throughout the session, but Platinums gave up around 5 as in Impala, 590p and Rustenburg, 505p.

Widespread falls in Sydney and Melbourne markets overnight coupled with the lack of progress by precious metals prompted a general retreat by Australian issues. Golds were particularly vulnerable. Gold Mines of Kalgoorlie dipped 20 to 557p. Australian Consolidated Minerals lost 8 to 91p and Carr Boyd 7 to 88½p. In the leading diversified stocks MIM Holdings gave up 7 to a 1985 low point of 127p.

Traded Options finished the week on a subdued note. Total contracts struck amounted to 6,704—4,579 calls and 2,125 puts. Money was given for the call of STC, Pavilion Leisure, Normans, Combined Technologies, Parion International, United Biscuits, Francis Sumner, Sound Diffusion, Vosper, Allied-Lyons, Falcon Resources, Fleet Holdings, Hawley and Stroud Riley Drummond. No puts were reported, but a double was taken out in Combined Technologies.




## FINANCIAL TIMES STOCK INDICES

| | Aug. 23 | Aug. 22 | Aug. 21 | Aug. 20 | Aug. 19 | Aug. 16 | Year ago |
|---|---|---|---|---|---|---|---|
| Government Secs... | 83.70 | 83.68 | 83.46 | 83.53 | 83.60 | 83.70 | 78.76 |
| Fixed Interest | 88.81 | 88.73 | 88.67 | 88.64 | 88.69 | 88.66 | 83.38 |
| Ordinary ● | 991.4 | 987.2 | 988.2 | 988.2 | 972.1 | 974.7 | 836.8 |
| Gold Mines | 311.3 | 310.1 | 322.8 | 622.3 | 317.4 | 309.3 | 870.9 |
| Ord. Div. Yield | 4.76 | 4.78 | 4.77 | 4.80 | 4.84 | 4.83 | 4.80 |
| Earnings, Yld. % (full) | 11.77 | 11.77 | 11.75 | 11.81 | 11.85 | 11.85 | 11.48 |
| P/E Ratio (net) (*) | 10.52 | 10.48 | 10.50 | 10.44 | 10.34 | 10.38 | 10.47 |
| Total bargains (Est.) | 21,825 | 21,171 | 21,288 | 21,038 | 20,494 | 22,141 | 17,728 |
| Equity turnover £m. | — | 319.87 | 383.74 | 399.52 | 262.37 | 342.1 | 178.87 |
| Equity bargains | — | 20,213 | 22,583 | 22,317 | 17,221 | 18,051 | 12,744 |
| Shares traded (ml) | — | 168.4 | 184.5 | 180.7 | 147.8 | 164.0 | 102.2 |

● 10 am 986.7. 11 am 988.0. Noon 991.4. 1 pm 991.8. 2 pm 991.7 3 pm 991.7 4 pm 991.2.

Day's High 991.8. Day's Low 986.3.

Basis 100 Govt. Secs. 15/10/26 Fixed Int 1928 Ordinary 1/7/35. Gold Mines 12/9/56. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.14.

## HIGHS AND LOWS

| | 1985 High | 1985 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 85.87 (30/7) | 78.02 (28/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int... | 86.81 (23/8) | 82.17 (28/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ordinary ... | 1024.5 (22/7) | 911.0 (25/7) | 1024.5 (22/7/85) | 49.4 (26/6/40) |
| Gold Mines | 556.0 (15/4) | 208.1 (6/8) | 734.7 (15/2/83) | 43.3 (26/10/71) |

## S.E. ACTIVITY INDICES

| | Aug. 22 | Aug. 21 |
|---|---|---|
| **Daily** | | |
| Gilt Edged Bargains | 135.8 | 110.9 |
| Equities Bargains | 131.0 | 146.5 |
| Value | 646.6 | 772.7 |
| **5 day Average** | | |
| Gilt Edged Bargains | 128.0 | 187.5 |
| Equities Bargains | 132.5 | 161.1 |
| Value | 625.6 | 704.7 |

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Aug 19 | Sept 6 | Nov 21 | Dec 2 |
| Sept 9 | Sept 20 | Dec 5 | Dec 16 |
| Sept 23 | Oct 4 | Dec 19 | Dec 30 |

*For rate indications see end of Share Information Service*

## YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change | Stock | Closing price | Day's change |
|---|---|---|---|---|---|
| Allied Textile | 413 | −42 | Hanson Trust | 215 | + 3 |
| Avana | 587 | +25 | LASMO | 273 | − 2 |
| Boots | 200 | + 5 | Marks and Spencer | 154 | — |
| Burmah Oil | 292 | + 4 | Shell Transport | 685 | + 2 |
| Distillers | 313 | + 6 | Sun Alliance | 503 | − 8 |
| GRE | 750 | + 5 | Thorn EMI | 376 | +12 |

## THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | No. of changes | Thurs. close | Day's change | Stock | No. of changes | Thurs. close | Day's change |
|---|---|---|---|---|---|---|---|
| Cable and Wire | 13 | 563 | +13 | Bowater Inds | 11 | 310 | − 8 |
| Fleet Holdings | 12 | 342 | + 1 | ICI | 11 | 652 | − 7 |
| GRE | 12 | 743 | −12 | Reed Int'l | 11 | 684 | − 6 |
| Parkfield | 12 | 137 | + 1 | Brit Aerot | 10 | 198 | − 4 |
| Royal Ins | 12 | 663 | −12 | BP | 10 | 545 | − 3 |
| TI | 12 | 373 | − 3 | Dewey Warren | 10 | 228 | −17 |

† Partly-paid

## 5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday.

| Stock | No. of changes | Last Thurs. close | Change on week | Stock | No. of changes | Last Thurs. close | Change on week |
|---|---|---|---|---|---|---|---|
| ICI | 94 | 652 | − 5 | Fleet Holdings | 68 | 342 | +30 |
| TI | 86 | 373 | −33 | RTZ | 67 | 580 | +22 |
| Brit Aerot | 77 | 198 | +13 | Shell Trans | 67 | 683 | + 6 |
| Bell (Arthur) | 74 | 261 | − 1 | Parkfield | 65 | 137 | +13 |
| Glaxo | 70 | £12⅞ | − ⅛ | BTR | 63 | 358 | — |
| Royal Ins | 70 | 663 | −20 | BP | 63 | 545 | + 7 |

† Partly-paid

## RECENT ISSUES

### EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1985 High | 1985 Low | Stock | Closing price | + or − | Net Div. | Times covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| §38 | F.P. | 8/8 | 65 | 58 | ‡ATA Selection 5p | 62 | ...... | bg1.5 | 2.6 | 3.5 | 18.8 |
| ·180 | F.P. | 2/8 | 250 | 283 | Abbey Life 6p | 846 | −5 | b5.6 | — | 6.0 | — |
| 57 | F.P. | 6/2 | 83 | 60 | ‡Aberd'n Steak H. 5p | 83 | ...... | ug8.2 | 2.0 | 5.8 | 18.8 |
| [illegible] | F.P. | — | £20¼ | £18 | Alex. & Alex. c. $1 | £18⅜ | +⅛ | — | — | — | — |
| §34 | F.P. | 20/8 | 37 | 35 | Anglo Utd. Dev. | 67 | ...... | bd1.06 | 2.1 | 4.0 | 17.9 |
| §138 | F.P. | 8/8 | 140 | 150 | ‡Appletree 10p | 135 | +5 | b2.6 | 3.8 | 8.5 | 15.3 |
| 50 | F.P. | 12/8 | 50 | 44 | Baillie G'f'd Shin Npo. | 44 | ...... | — | — | — | — |
| — | F.P. | 10/2 | 17 | 13 | Do. Warrants | 17 | ...... | — | — | — | — |
| 170 | F.P. | 22/8 | 188 | 165 | Bradstock 6p | 102 | ...... | bg3.25 | 2.4 | 3.9 | 15.3 |
| 130 | F.P. | 24/7 | 134 | 99 | Brent Walker 10p | 114 | −1 | b6.3 | 2.5 | 4.4 | 9.7 |
| 378 | 200 | 10/9 | 253 | 128 | British Aerospace 50p | 190 | −8 | 14.56 | 3.1 | 5.6 | 6.7 |
| 185 | 100 | 1/10 | 130 | 117 | Britoil 10p | 160 | +3 | t13.0 | 6.0 | 8.6 | 6.1 |
| 120 | F.P. | — | 170 | 151 | CAP 10p | 170 | +6 | u1.5 | 4.0 | 1.3 | 22.4 |
| §80 | F.P. | 27/0 | 80 | 77 | ‡CCA Galleries 10p | 87 | ...... | bg0.55 | 2.8 | 3.9 | 18.1 |
| [illegible] | F.P. | — | 48 | 37 | ‡Cannon Street Invs. | 37 | ...... | — | — | — | 11.4 |
| [illegible] | F.P. | 30/8 | 100 | 83 | ‡CobreEmer'ldMines | 06 | ...... | — | — | — | — |
| §70 | F.P. | — | 76 | 70 | Conrad Hldgs. | 71 | ...... | bg3.5 | 2.2 | 7.0 | 8.4 |
| §113 | F.P. | 6/0 | 128 | 118 | ControlTechniques5p | 125 | ...... | bg2.7 | 8.7 | 3.1 | 15.0 |
| §31 | F.P. | — | 30 | 40 | ‡Dean Park Hotels | 42 | −1 | — | — | — | — |
| [illegible] | F.P. | 5/9 | 110 | 75 | Expln. Co. Louisiana | 75 | ...... | — | — | — | — |
| §140 | F.P. | 8/9 | 163 | 150 | ‡FKB Group 8p | 165 | +5 | 1.75 | 5.9 | 1.5 | 23.2 |
| 150 | F.P. | 25/7 | 120 | 03 | First Security 10p | 115 | ...... | u3.5 | 2.5 | 4.3 | 11.4 |
| Ir.07 | F.P. | 08/7 | 77 | 55 | Green Property Ir.25p | 68 | ...... | 12.57% | 1.3 | 3.8 | 25.7 |
| [illegible] | F.P. | — | 460 | 380 | ‡Heavitree Brewery | 385 | ...... | 10.73 | 1.2 | 4.0 | 18.8 |
| [illegible] | F.P. | — | 450 | 345 | Do.'A' Lim. Vtg.Ord. | 345 | ...... | 10.73 | 1.0 | 4.4 | 16.7 |
| §123 | F.P. | 0/2 | 333 | 128 | Isotron | 197 | +2 | bg1.25 | 8.0 | 0.2 | 49.8 |
| §110 | F.P. | — | 118 | 98 | ‡Lawmar | 103 | +3 | u0.525 | 5.0 | 3.5 | 12.7 |
| [illegible] | F.P. | 0/8 | 50 | 44 | London Tst. Wrrts. | 48 | ...... | — | — | — | — |
| §55 | F.P. | 30/8 | 72 | 68 | ‡Lysander Pet. 5p | 66 | ...... | — | — | — | — |
| §44 | F.P. | — | 54 | 45 | ‡Micha'l(J)Design2½p | 33 | ...... | 1.0 | 6.5 | 2.7 | 14.7 |
| 120 | F.P. | 25/7 | 113 | 100 | Micro Scope 10p | 105 | ...... | b1.3 | 4.2 | 8.0 | 14.7 |
| ·103 | F.P. | 4/8 | 107 | 88 | ‡Moss Advertising5p | 88 | −2 | bg2.45 | 5.0 | 4.0 | 12.1 |
| §170 | F.P. | 0/8 | 170 | 133 | ‡Pacer Systems $0.01 | 140 | +5 | bg3.8c | — | 2.1 | — |
| §00 | F.P. | 9/8 | 135 | 102 | ‡Polypipe 10p | 183 | −2 | b2.9 | 8.7 | 5.1 | 16.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

### RIGHTS OFFERS

## LEADERS AND LAGGARDS

Percentage changes since December 31, 1984 based on Thursday, August 22, 1985

| | | | |
|---|---|---|---|
| Office Equipment | + 31.81 | Building Materials | + 9.31 |
| Insurance (Life) | + 31.09 | Oils | + 7.38 |
| Telephone Networks | + 26.57 | All-Share Index | + 6.92 |
| Newspapers, Publishing | + 26.43 | 500 Share Index | + 6.52 |
| Metals and Metal Forming | + 24.56 | Industrial Group | + 6.38 |
| Packaging and Paper | + 23.53 | Mechanical Engineering | + 5.28 |
| Stores | + 22.93 | Merchant Banks | + 4.70 |
| Shipping and Transport | + 27.81 | Health and H'sehold Products | + 4.60 |
| Insurance (Composite) | + 18.94 | Food Manufacturing | + 3.40 |
| Motors | + 15.33 | Property | + 2.85 |
| Brewers and Distillers | + 15.58 | Investment Trusts | + 2.81 |
| Other Industrial Materials | + 13.43 | Leisure | − 3.86 |
| Contracting, Construction | + 13.03 | Overseas Traders | − 4.05 |
| Other Groups | + 12.44 | Capital Goods | − 4.17 |
| Financial Group | + 12.71 | Mining Finance | − 4.79 |
| Food Retailing | + 12.27 | Chemicals | − 7.12 |
| Banks | + 11.95 | Electricals | − 11.32 |
| Insurance Brokers | + 10.76 | Tobaccos | − 12.60 |
| Textiles | + 8.49 | Electronics | − 26.77 |
| Consumer Group | + 9.38 | Gold Mines Index | − 33.25 |

## NEW HIGHS AND LOWS FOR 1985

### NEW HIGHS (92)

BRITISH FUNDS (18)
INTL. BANK & O'SEAS GOVT. STLG. ISSUES (3)

PROPERTY (5)
Beazer (C.H.) Property Partnership
Lon. Shop Prop. Trafford Park
McInerney

INDUSTRIALS (20)
Abbey Parkfield
Ass Br Eng 8pcCnPf Radiant Metal
Assoc. Heat Servs. Rank Org.
BBA Group Scot. Heritable Tst.
Boycott Intnl. Siebe
British Bloodstock Sinclair (Wm.)
Expamet Intnl. Steetley
Harvey & Thompson Utd. Packaging
Low & Bonar Williams Hldgs.
MCD Group Wolseley-Hughes

INSURANCE (2)
Ennia UK 9pc Cnv. Sicel Burrill Jones

LEISURE (1)
Pleasurama 7pcPf

### NEW LOWS (37)

INSURANCE (1)
Travelers

PAPER (1)
Aldcom Intl.

TRUSTS (1)
G.T. Japan

OILS (1)
Steaua Romana

PLANTATIONS (5)
Anglo-East Plants. Rowe Evans Inv.
Bertam

MINES (6)
Durban Deep Western Areas
S. African Land CRA
Elandsrand Gold MIM Hldgs.
Elsburg Colby Res. Corp.

## RISES AND FALLS

| | Yesterday Rises | Yesterday Falls | Yesterday Same | On the week Rises | On the week Falls | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 54 | 21 | 32 | 257 | 153 | 125 |
| Corporations, Dom. and Foreign Bonds | 21 | 7 | 50 | 51 | 41 | 298 |
| Industrials | 284 | 236 | 948 | 1,626 | 1,088 | 4,628 |
| Financial and Props. | 81 | 95 | 366 | 536 | 351 | 1,873 |
| Oils | 18 | 33 | 73 | 123 | 112 | 389 |
| Plantations | 0 | 4 | 14 | 8 | 13 | 69 |
| Mines | 29 | 63 | 67 | 253 | 280 | 382 |
| Others | 39 | 91 | 111 | 300 | 354 | 544 |
| Totals | 537 | 550 | 1,681 | 3,154 | 2,371 | 8,306 |

# S. E. DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—K

L—M

# STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Marks & Spencer 7pcPf (£1) 89½ 62 (19/8)
Marshall (Thomas) (Loxley) 75 7 (21/8)
Mecca Leisure 7pc 1st Db 1985-90 £85¼
Metal Box 4.9pcPf (£1) 50. 10½pcLn 1992-97 £98½ ¾ (21/8)
Michelin Tyre 8¾pcDb 1984-89 £88 ¼
Micro Scope (10p) 105
Minty 2d3 50 (19/8)
Mitchell Cotts 4.35pcPf (£1) 45 (21/8)
Monsanto 8¼pcLn 1992-97 £67. 5pcLn 1984-86 £92½ (10/8)
Morgan Crucible 6½pcDb 1995-2000 £80¾ (19/8)
Moss Bros (20p) 470 5
Mount Charlotte Invstmnts 9½pcLn 1995-2000 £333 (19/8)

## N—O—P

NSS Newsagents 6pcPf (£1) 108½. 10pc Ln 1990-2000 £158
Newarthill 8½pcPf (£1) 71 (19/8)
Noble & Lund (10p) 30
Norcros 15½pcDb 1990-95 £122 (21/8)
Normans Gp 5pcPf (£1) 43 (21/8). 8¼pc Ln 1990-94 £108 (19/8)
Northern Engnrg Ind 3pcPf (£1) 34½ (21/8). 5.375pcPf (£1) 80½ (20/8). 6¾pcLn 1990-93 £80½ (20/8). 9pcLn 1990-95 £83½
Oldacre Hldgs (20p) 75
Owen Owen 7pc 1st Db 1988-93 £79¾ (18/8). 7¾pcLn 1988-93 £74. 8pcLn 1986-91 £340♦
Parkland Textile (Hldgs) 107 (20/8). 4.2pcPf (£1) 42
Parrish (J. T.) 435 40
Paterson Zochonis 10pcPf (£1) 119½ (19/8)
Pavilion Leisure Hldgs (10p) 47
Pearson 5¼pcLn 1988-93 £85½ (10/8). 8¼pcLn 1988-93 £71¾ (18/8). 8¼pc Ln 1988-93 £79♦. 10½pcLn 2001-05 £93½. 13pcLn 2007 £115 (10/8)
Pentler-Hattersley 7pcLn 1909-94 £70 (21/8)
Pentos (20p) 77 (21/8). 13½pcLn 1990 (A) £110 (19/8)
Phicom 8pcDb (£1) 111 (20/8)
Pittard Gp 6½pcPf (£1) 102 (20/8)
Plessey 7¼pcDb 1992-97 £77 ½ (20/8)
Polly Peck Int 6pcDf (£1) 85
Portals Hldgs 9½pcLn 1994-2000 £130
Portland Hldgs (20p) 4 (16/8)
Press Tools (10p) 52
Pressac Hldgs 10.5pcPf (£1) 98 (18/8)

## Q—R—S

R.E.A. Hldgs 9pcPf (£1) 94 5. 12pcLn 2000 £50 (20/8)
Rank Organisation 6¼pcPf (£1) 54 ½. 6pc 2ndPf (£1) 09½ (16/8). 5½pcLn 1990-95 £64½. 8pcLn 1988-93 £81¾. 10¼pcLn 1997-2002 £9d ¼ ½ 0
Ranks Hovis McDougall 6pc 1stPf (£1) 51½. 6pc A Pf (£1) 53. 6pc B Pf (£1) 51½. 8¾pcLn 1980-88 £88 ½ ¼ (21/8). 8¾pcLn 1983-88 £87¾ (20/8). 7¼pcLn 1981-86 £97½. 8pcLn 1990-94 £81¾ (16/8). 8¾pcLn 1901-95 £80¼ ¾ ½
Ratcliffs (FS) Inds 4d (21/8)
Ratcliffe (Gt Bdg) 8pcPf (£1) 55 (21/8)
Raybeck 10½pcPf (£1) 74
Rendicut Intnl 6¾pcLn 1980-90 £84½ (19/8)
Reckitt Colman 5pcPf (£1) 43 ½ 4 ½
Redland 7½pcDb 1990-95 £77¼ 8¾ (16/8)
Redland Fin Wts £200
Reed Decorative Prods 4pcDb £32 (10/8)
Reed Intnl 5½pcPf (£1) 48. 8½pcDb 1983-88 £90. 7¼pcDb 1990-95 £70¼. 5½pcLn £43½ (21/8). 7½pcLn £59 (19/8). 7½pcLn 1996-2001 £73¼. 10pc Ln 2004-2009 £89 90 ½ 1
Reed Publishing Hldgs 3½pcDb 1983-08 £83. 6½pcDb 1983-88 £91½. 4¼pcLn 2004-2009 £41. 7¾pcDb 1987-92 £80 (16/8). 9pcLn 1999-2004 £79 (21/8)
Relvan Grp 7¼pcLn 1986-91 £79 (19/8)
Renold 6pcPf (£1) 48 (19/8). 6¾pcDb 1990-95 £72♦. 9pcDb 1991-98 £78 (19/8)
Robinson (T) Son 7pcPf (£1) 235 (20/8)
Rockware Grp 7.7pcPf (£1) 108 70 (10/8)
Rotork 9½pcPf (£1) 110
Rowntree Mackintosh Wts £300 (16/8). 6pcPf (£1) 55. 7½pcPf (£1) 00 (20/8)
Ruberoid 10½pcLn 1990-95 £88♦
Rugby Portland Cmt 6pcLn 1993-90 £65½ (21/8). 7¾pcLn 1993-98 £72½♦
Ruston Hornsby 8pcDb 1987-92 £82½ (21/8)
Saatchi Saatchi 8pcLn (2015) £122 (21/8)
Sainsbury (J) 8½pcDb 1980-93 £80¾. 7¼ pcDb 1987-92 £81¼ (21/8). 0pcLn £64
Salts (Saltaire) 7pcPf (50p) 27¼ (16/8)
Salvesen (C) 157 8 9 40. 5.6pcPf (£1) 70½ (16/8)
Sanderson Murray Elder (50p) 02 (21/8)
Sandvik Aktiebolag £37½ (20/8)
Savoy Hotel 8½pcLn 1993-98 £70
Scapa Grp 8pcLn 1905-93 £82½ (19/8)
Sears 7pcPf (£1) 59½. 12½pcPf (£1) 101 ½ (21/8). 7¼pcLn 1992-97 £76 (19/8)
Sears Eng Hldgs 8¼pcDb 1987-92 £84¼
Sharpe (C) (£1) 5d0
Sidlaw Grp 7½pcLn 2003-2008 £65 (19/8)
Simon Eng 8pcPf (£1) 48½ (20/8). 6.35 pcPrf 1991-96 78 (19/8). 7.75pcPrf 1992-97 (£1) 93 (19/8)
Simpson 365 (19/8). 5pcPf (£1) 40
000 Grp 8¼pcLn 1987-92 £82½ (16/8). 11pcLn 1992-97 £87
Sketchley 4.2pcPrf (£1) 137 (21/8)
Smith (WH) Son B (10p) 47 ½. 5¼pc Ln £41½ (21/8)
Smiths Inds 11¼pcDb 1095-2000 £97 (19/8)
Smurfit (J) Grp Prf (£1.45. 10½pcLn 1975-95 £64
Southerns-Evans 8pcDb 1987-92 £85 (19/8)
Scillers 7½pcDb 1964-09 £89 (20/8)
Spong Hldgs (5p) 21
Staveley Inds 7½pcLn 1906-91 £80¼. 7½pcLn 1988-93 £78 (21/8)

Steetley 6¾pcDb 1905-90 £82 (10/8)
Sterling Inds 1stPrf (£1) 40
Stoddard (10p) 11 (21/8)
Stone Intnl (20p) 180 2 3
Sunbeam Wolsey 8pcPrf (h£1) £0.4 (21/8)
Swan (J) Sons 128‡ 30‡ (21/8)
Swire (J.) Sons 0.3pcPf (£1) 77½ 6 (19/8)
Symonds Eng (5p) 13½ 4

## T—U—V

TI Grp 5.6pcLn 1909-94 £68½♦. 7.7 pcLn 1989-94 £78½ 7 (20/8). 9pcLn 1989-94 £83¼ (21/8)
Talbot Motor 5½pcDb 1984-89 £82¼♦
Tarmac 5½pcPf (£1) 65. 6¼pcDb (1986-91 £89½ (21/8). 7¾pcDb 1992-97 £75¼ (10/8). 8¼pcLn 1950-05 £82½
Tate Lyle 6½pcPf (£1) 59½. 5½pcDb 1980-85 £98¼ (21/8). 7¼pcDb 1989-90 £80½ (10/8). 8¾pcDb 1985-90 £80¼ (26/8). 7½pcLn 2003-2008 £67½ (19/8). 5¼pcLn 1990-99 £136
Taylor Woodrow 7¼pcLn 1987-90 £88¼ (16/8)
Televan South 14/20pcLn 1086-88 £114½. 5¼ (16/8). 10pcLn (1997) £110 (16/8)
Tenneco Inc 10Ln 1991-95 £189 (20/8)
Tern Grp 9pcPf 1997-2000 (£1) 105½
Thomson Orgn 4.72pcPf (£1) 50. 5.83 pcPf (£1) 73. 4½ 5 (21/8). 21.7pcPf / 8½ (21/8). 3pcDb 1984-94 £71 (21/8). 7½pcLn 1987-92 £70½ (10/8)
Thorn EMI 5pcLn 2004-2009 £50¼ (20/8). 7½pcLn 1989-92 £83¼. 7¾pc Ln 2094-2009 £73 (21/8). 6½pcLn 1989-94 £85½
Tilling (Thos) 4.55pcPf (£1) 54½♦. 5.25pc Prf (£1) 67. 6pcDb 1985-90 £86½ (16/8). 8¼pcLn 1989-94 £95 8 (70/8)
Tioxide Grp 11½pcLn 1991-96 5 03 ¾ ½ ½ ¾ ½ ¾
Tomkins (FH) 8¼pcCnvLn 1994 £177 (20/8)
Total Gp 5pcPf (£1) 43 4. 4¾pcPreDb £39 (19/8). 6¼pcDb 1985-90 £02½♦. 7¼pcDb 1985-90 £86½ (19/8). 7¾pc Ln 1089-94 £74¼ ½
Towles ANnV (10p) 59
Trafalgar Hse 7¼pcPf (£1) 01. 7pcDb £1) 59½. 8pcLn 1994-98 £78 (21/8). 9½pcLn 2000-05 £88½. 10¾pcLn 2001-08 893 (21/8)
Transport Dev Gp 4.2pcPf (£1) 50 (18/8)
Trinity Int (50p) 251 2 3
Triplex 5½pcPf (£1) 38 (18/8)
Trusthouse Forte 0.25pc1stMtgDb 1985-00 £83 (21/8). 7.25pc1stMtgDb 1086-91 £85. 10.5pcMtgDb 1991-86 £99½ (21/8). 9.1pcLn 1995-2000 £87½ (21/8)
Turner and Newall 0pcMtgDb 1987-92 £82¾ 0½ (21/8). 10.1pcMtgDb 1990-95 £81 (10/8). 11½pcMtgDb 1995-2000 £100¼ (18/8)
Tynn Plywood 5½pcPf (£1) 88♦

Unigate 5¼pcDb 1003-88 £80 (20/8). 7¼pcDb 1986-91 £84¾ (20/8). 8½pcLn 1901-08 £72 ½ ¾ (21/8)
Unilever 7pcPf (£1) 00 (21/8). 8pc2ndPf (£1) 89 (18/8). 20pc3rdPfd 40 (21/8). 5¾pcLn 1991-2006 £55. 7¾pcLn 1091-2000 £73½ ¾ 4 ¼
Union Inter 6pcPf (£1) 45‡ 7½. 7pcPf (£1) 54. 10pcAPf (£1) 80½
Union Steel Co (R0.50) 17 (20/8)
United Biscuits Wts 01½ 2 3. 0pcDb 1993-90 £80½ (19/8). 5¼pcLn 2003-00 £51 (21/8)
United Gas Ind 10¾pcLn 1990-2003 £84 (20/8)
United Glass 7¼pc1stMtgDb 1987-90 £87 (19/8)
Upton (E.) 35 (20/8)

Vickers 5pcPf (£1) 60½
Victoria Carpet 48½

## W—Y—Z

Waddington (J) 6pcPf (£1) 50½ (10/8)
Wade Potteries 10pcPf (£1) 100 (10/8)
Walker and Staff 9pcLn 1988 £81 (19/8)
Walker (Thos) (5p) 14½ 3
Waverley Cameron 138♦
Wellman 10pcCnvPfd (£1) 65 (19/8)
West Drom Spring 11.5pcPf (£1) 00 (10/8)
Western Motor AHnV 47 (19/8)
Westland 7¼pcDb 1987-92 £82 (20/8)
Westwood Dawes 8 112½ 30 (20/8)
Whitecroft 4.1pcPf (£1) 49½ (20/8)
Whittingham (Wm) 8pcLn 1992-97 £74¼ (21/8)
Wiggins (Henry) 6¾pcLn 1994-99 £55 (20/8)
Williams 10½pcPf (£1) 117 (21/8)
Wilson (Connolly) 10½pc2ndPf (£1) 115♦
Wirp and Plastic (10p) 147 50
Woodhead (Jonas) 9½pcLn 1989-94 £83½ (16/8)
Woolworth 14pcLn 1987-09 £108 8½pc CnvLn 2000 £118½ 7 ¼ ½ ⅞
Wormalds, Walker and Atkinson 9pcLn 1986-01 £74 (21/8)
Yock Treller 10pcPf (£1) 143 (20/8)
Yorkshire Chem 12½pcCnvLn 1987-92 £112

## FINANCIAL TRUSTS

Akroyd and Smithers 200♦. CnvPf 275♦
Armour Trust 10½pcLn 1991-96 £79 (20/8)
Australian Agri (\$A0.50) 250 (19/8)
Baillie Gifford Tech Wts 34
Berkeley Tech (\$0.05) 02 3 5 (19/8)
Britannia Arrow Wts 26 (19/8)
Daily Mail and General (50p) £11½. 5pc Pf (50p) 20 (21/8)
Exploration (5p) 72
F and C Enterprise Ord 7½. Wts 11
Findhorn Fin 17½pcLn 1995 £08 (10/8)
First Nat Finance 9½pcLn £09 (21/8)
First Nat Sec 12½pcCnvLn 1907 £350
Goode Durrant and Murray 3.5pcPf (50p) 21 (19/8)
Inchcape 5¼pcPf 1990-92 (£1) 70 (18/8). 8pcLn 1987-90 £86 (19/8). 12½pcLn 1993-00 £102½ (20/8)
Kellock VrRtCnvPf (5p) 32½ (21/8)
London and European 10½pcLn 1903 £82‡ (20/8)
Mercantile House Hldgs Vny Rate Ln Nts 1984-89 £102½ (16/8)

Murray Ventures Wts 30
Rothschild (J.) Hldgs Wts 40 1 ½ 2
Stewart Enterprise Wts 10 (20/8)
Stock Exchange 7¼pcDb 1990-95 £77½♦
United Computer Tech Hldgs Wts 13♦

## INSURANCE

Abbey Life Grp (5p) 243 4 5 6 7 8 50
Alexander & Alexander Ovcs C (\$1) £18¾ (10/8)
Bradstock Grp (5p) 180 1 ‡2½‡. New 15p (Fy Pd 22/3/85) 185 7 90 (20/8)
Commercial Union Assurance 5pcPf 1989-2009 (£1) 48½ (10/8)
General Acc Fire Life 5¼pcPf (£1) 42 (18/8). 7¼pcLn 1987-92 £82 (21/8)
Guardian Royal Exchange Assurance 7pcPf (£1) 73 (18/8). 7pcLn 1886-91 £82¼ ½
Pearl Assurance 8pc Pf (£1) 70½ (21/8)
Sun Alliance London 8½pcLn 1980-05 £98¼ (20/8)

## INVESTMENT TRUSTS

Alliance 4½pcPf £37½ (21/8). 4½pcDb £35 (21/8)
American 5pcPf £43 (20/8)
Anglo-American Secs 4½pcPf £39 (20/8). 4pcDb 1985 £102½ ¾ (19/8)
Asset Special Sits Wts 18 (21/8)
Atlantic Assets 5pcPf (£1) 40 (20/8)
Baillie Gifford Shin Nippon (10p) 45. Wts 18
Bankers 3.5pcPf £45 (21/8). 4pcDb £30‡ (20/8)
Border Southern Stockholders 11¼pcDb 2014 £102¼ 3 (20/8)
British Assets 4½pcPf £40½ (21/8). A 5pcPf £42 3 (20/8)
British 5pcDb 1988-08 £84 (20/8)
Continental Industrial 5¼pcDb 1983-00 £86♦
Danae Wts 13 (19/8)
Darby Cap Shs (10p) 104½ (Ex Wts) 5‡‡. Wts Cap Shs 33
Drayton Cons 3.5pcPf £42 (19/8)
Drayton Premier 3.5pcPf £42♦. 5pcPf £43. 7¼pcLn 1993 £202 (21/8)
Edinburgh American Assets 8pcLn (1973-08 (£1) 715 25 (19/8)
Edinburgh Financial Wts 13 (21/8). 13¼pcLn 2003 £118½ (21/8)
Ed nburgh 3.05pcPf £40 (21/8). 8¼pcDb 1984-88 £95 (16/8). 11pcDb 2014 £138 (19/8)
English National Dfd 81
External (£1) 435 (20/8)
F & C Alliance 8pcPf £51 (20/8)
F & C Pacific Wts 28
First Scottish American 5½pcPf £44½ (21/8)
Fledgeling Japan Wts 12 (10/8)
Fleming American 8½pcDb 1078-86 £97½ (21/8)
Fleming Fm Eastern 4½pcPf (£1) 40 (20/8)
Fleming Mercantile 4pcPf (£1) 34½ (21/8). 5pcPf (£1) 43½ (21/8)
Fleming Universal 5pcPf (£1) 42 (20/8)
Focelon Col 5pcPf (£1) 44 (19/8). 4¼pc Db 1982-07 £80¼♦
German Smaller Cos Wts 37 40 (19/8)
Globe 5½pcLn 1987-91 £215 (20/8). 11½pcLn 1990-95 £212
Hambros 6¼pcDb 1981-86 £96 (19/8). 8-17pc Db 2018 £130½
Hill (Philip) 5¼pcPf (£1) 46
Inv Tst Guernsey (50p) 125 (19/8)
Kleinwort Benson 5½pcDb 1881-88 £95♦
London Strathclyde 5pcPf £45
London 5½pcDb 1983-80 £91 (10/8)
Murray Growth 4¼pcPf (£1) 59 (21/8)
Murray Inc 5pcPf (£1) d2 (21/8)
Murray Intnl 4½pcPf (£1) 39
New Darien Oil Wts 7
New Tokyo Wts 91 (21/8)
1920 0¼pcDb 1998-2003 £65½ ½ (20/8)
Pinntation 7½pcLn 2000 £80
Raeburn 5pcPf £44½ (21/8)
River Plate Gen Wts 70 (20/8)
Romney 5pcPf £44 (19/8)
St Andrew Trust 5¼pcPf £58½ (19/8)
Scottish Eastern 4½pcPf £39
Scottish Invest 3.5pcPf £40½ (21/8). 0.85pcPfd £48½ (18/8). 4.55pc A Pf £57 (19/8)
Scottish Northern 4½pcPf £80 (19/8). 3pcDb £26 (19/8)
Securities Trust Scotland 4½pcPf £30½ (20/8)
Shires Invest (50p) 190 (20/8). Wrnts 21 (20/8)
TR Australia Wts 95 (20/8)
TR City London Pfd (£1) 100 (21/8). 8pc 1stPf £50. 6pc2ndPf (£1) 50♦
TR Industrial General 5¼pcDb 1992-97 £83 (21/8)
TR Pacific Basin Wts 522 (20/8)
TR Technology Invest 5pcPf (£1) 44 (19/8)
United States Debenture 4¼pcDb 1999 £52. 0¼pcDb 1999 £55
Witan Investment 8pcDb 1996-99 £78½

## UNIT TRUSTS

M.G. International Inc Fund 49. Accum Units 48½ (20/8)
M.G. Japan Smaller Companies Fund 50 (21/8)

## MINES—MISCELLANEOUS

Anglo American (R0.50) £56¼ (19/8)
Bralchi Tin (10p) 13½ (21/8)
Botswana RST (P2) 8 (21/8)
Consolidated Gold Fields 6½pcLn 1987-92 £75¼♦. 8¼pcLn 1999-2004 £72½. 8¼pcLn 1980-93 £84½ (21/8)
Globe Phoenix (12½p) 53
Golinth Gold 037½ (19/8)
M.T.D. (Mangula) (Z\$1) 10½
Minerals Resources (\$01.40) 575 00 5
North Kalgurli 31 ½
Rio Tinto-Zinc 568. 3.325pc A Pf (£1) 42½ ½ (20/8). 6¼pcLn 1905-90 £82¾

## MINES—SOUTH AFRICAN

Beatrix Mines 220
Clydesdale (Transvaal) Collieries (R0.001 325
Coronation Syndicate (R0.25) 33 (19/8)
Middle Witwatersrand 0pcPf (R1) 15 (20/8)
New Central Witwatersrand (R.050) 355 (20/8)
Western Deep Levels £11 (18/8). 12pc Do 1986-93 27½ (20/8)

## OIL

British Petroleum 9pcPf (£1) 79
Britoil (10p) 125 0 7 ½ 0 ¼ 0 30
Burmah Oil 7¼pcPf (£1) 88½ 8. 7½pc Ln 1081-90 £87½
Century Oils 5.25pcPf (£1) 58½
Dome Petroleum 150 (10/8)
Duckham (Alexander) 7pcDb 1087-92 £70½ (19/8)
Exploration Louisiana (\$0.01) 70 8 (20/8)
Great Western Resources 150
Jackson Exploration 20 (20/8)
New Court Natural Resources Wrnts 5 (20/8)
Shell Transport Trading 5½pc1stPf (£1) 47 (21/8). 7pc2ndPf (£1) 80 ½ (21/8)

## PROPERTY

Alliance Prop Hldgs 0½pcDb 1992-07 £80¼ (19/8)
Allied London Prop 8½pcLn 1999 £171½. 3 (20/8)
Allnat London 9¼pcDb 1090-2001 £00½ (19/8). 10½pcDb 1994-90 £02 (21/8)
Argyle Securities 12pcDb 1993-98 £102½
Atlantic Metropolitan (UK) 12pcLn 100/-97 £118 (10/8)
Bradford Property 10½pcPf (£1) 114½
British Land 15pcDb 1987 £111¼. 12pc Ln 2002 £497 501
Capital Counties 4.2pcPf (£1) 43 (20/8)
Centrovincial Estates 8¼pcLn 1980-93 £73½ (19/8)
Chartwood Alliance Hldgs 7½pcLn (50p) 31 (21/8)
Churchbury Estates 0pcLn 200 £80 (16/8)
County Prop 5.0pcPf (10p) 5 (18/8)
Craigton Combined 8¼pcDb 1085-91 £78 (19/8)
English Prop 9¾pcDb 1997-2002 £93½ ½ (20/8)
Euston Centre Prop 10.4pcDb 1992-97 £94¼ (19/8)
Greenhaven Securities 0pcDb 1083-88 £88¼♦
Hammerson Prop 400 (19/8
8.CS 98K1GDV.I
Haslemere Ests 0pcLn 2001-06 £132½. 9¼pcLn 1900-95 £215 (10/8)
Heron 10¾pc1stDb 1996-2001 £100 (20/8)
Land Securities 6pc1stMtgDb 1988-00 £77¼ (20/8). 9pc1stDb 1996-2001 £88¼ (10/8). 8¼pcLn 1992-97 £72½ (20/8). 8¼pcLn 1992-97 £85½ ¼ 8½
Law Land 7½pc1stDb 1986-91 £80 (19/8)
Lewis (John) Partnership 8¼pcDb 1993-98 £93♦
London Shop Prop Tst 8¼pcLn 1987-97 £79½ (19/8)
MEPC 8¾pc1stDb 1997-2002 £93½ (16/8). 8pcLn 2000-05 £77. 0½pcLn 1995-2000 £93½ 4 (21/8)
Marlborough Prop 10pcLn 1538-2002 £143 (19/8)
Mucklow (A. J.) 7pcPf (£1) 57½ (20/8)
Municipal Props (50p) £23¼½ ½ (20/8)
New London 3¼pc1stDb 1957-90 £86 (20/8)
Paramount Realty 9pc1stDb 1008-97 £88½ (20/8)
Peel Hldgs 10pcPf (50p) 57 ½
Property Security Inv 6pcPf (£1) 94½ (16/8)
Regis Prop Hldgs 0¾pcLn 1997 £78 (21/8)
Town City Props 8pcLn 1907-99 £77
Town Centre 9pcLn 1996-2000 £115 (10/8)
United Kingdom 8¼pcLn 2000 05 £78½ (18/8)
Wates City of London 123 (20/8)

## PLANTATIONS

Anglo-Indonesian 0¼pcPf (£1) 200 (19/8). Fits Rate Ln 1085-80 £90 (19/8)
Beradin (5p) 47 (19/8)
Dunlop 6pcPf (£1) 53 (21/8)
Guthrie 9¼pcLn 1992-97 £10¼ 7 (20/8)
Inch Kenneth Kajang (70p) £6¼ (19/8)
Narborough (10p) 44 (20/8). 20pcPf (10p) £0.1 (20/8)
Rambia (5p) 80 (16/8)
Sumah (£1) (Reg.) £190
Western Dooars Tea (£1) 800 (16/8)

## RAILWAYS

Malawi 3½pc1stDb 1988-88 £76¼ 7
Ontario Quebec 0pcDb (Int Gtd) £54♦
Russian South Eastern 4½pcSds £1 (18/8)

## SHIPPING

Graig A N.V. (£1) 810
Ile 0¼pcPf (£1) 29½ 31
Peninsular Oriental Steam 5pcPfd £45. 6.3pcPfd (£1) 110 8 20 1

## UTILITIES

Barton Transport Pfd (100p) 130 (18/8)
Calcutta Elect Supply (India) Equity (Rp10) 58 60
E.S.E.S. (Or) £37½ (18/8)
GTE (\$3.333) £39¼ 39½ (21/8)
Intercom Melge (8r) £28½ (18/8)
Manchester Ship Canal 5pcPf (£1) 62½. 4pc2ndDb (Reg) £48 (20/8)
Mersey Docks Harbour Combined Units 33½. 3¼pcDb 1979-89 £60 (21/8). 6¾pcDb 1984-07 £50 ½ (21/8). 8¼pc Db 1996-99 £57½ 9 (21/8). 3½pcDb £22¼ (21/8)

## WATERWORKS

Bournemouth Dist 3.8pc (Fmly 5pc) £38 (21/8). 2.8pcPf (Fmly 4pc) £30 (16/8)
Bristol 3.5pcPf £39 (21/8). 2.8pcPf £30 (15/8). 4pcDb £31¼ 2‡
Cambridge 3.5pc (Fmly 5pc) £37 (20/8). 7¼pcDb 1988-90 £87½ (19/8). Lester 7¼pcDb 1901-53 £70¼
Colne Valley 2.8pcPf £32 (18/8). 4.2pc Pf 1985-90 £77 (19/8). 6.6pcPf 1993-94 £70½ (18/8). 7¼pcDb 1901-93 £77
East Surrey 8 4.9pc £32½ (21/8)
East Worcestershire 7pc £101 700 (20/8)
Eastbourne 10½pcDb 1995-97 £03 (18/8)
Essex 2.45pcPf £28 (16/8). 3pcDb £31½ 2. 7pcDb 1087-09 £85¼ (20/8). 7½pc Db 1991-93 £80¼. 10pcDb 1992-94 £92½ (21/8)

Folkestone 4.9pcPf 1988-88 £85 (10/8)
Hartlepools 3.5pc (Fmly 5pc) £59 (18/8)
Mid Kent 8pcDb 1992-94 £81 (21/8)
Mid-Southern 3½pcDb £28‡ ½‡
Mid-Sussex 4.9pc (Fmly 7pc) £55½ (20/8)
Newcastle Gateshead 4.9pc (Fmly 7pc) £47 (19/8). 4pcDb £31¼ 2‡
North Surrey Water 4.29pcPf 1984-88 £90 (20/8)
Rickmansworth Water 3.5pc £40 (21/8)
South Staffordshire Waterworks 4.9pc Class A £54 (20/8). 4.9pc Class B £54 (20/8). 4.2pcPf 1983-00 £83 (21/8)
Sunderland and South Shields Water 3.5pc £40 (21/8). 10pcDb 1992-94 £95 (16/8). 11.00pcDb 1995-97 £102 ½ ¼
West Hampshire Water 11.80pcDb 1995-97 £101¼
West Kent Water 3.5pc £36 (10/8). 10pcDb 1993-95 £01¼ (21/8). 12½pc Db 1988 £102¼ (18/8)
York Waterworks 11.80pcDb 1995-97 £101¼ 2

## UNLISTED SECURITIES MARKET

A.T.A. Selection (5p) 62
Aberdeen Steak Houses Grp (5p) 84
Access Satellite Intnl (5p) 185
Appletree (10p) 135 (21/8)
Biomechanics Intnl (10p) 18‡ 0¾‡ (21/8)
CCA Galleries New (10p) 88♦
Cannon Street Inv (20p) 35. 7.7pcPf (£1) (16/8)
City Site Estates 10pcPf (20p) 108‡ 9¼‡ (16/8)
Cliff Oil Wnr to sub 8 0♦
Cobra Emerald Mines NPV 88 (20/8)
DDT Grp (5p) 156½ 7‡ 65
Dean Park Hotels Grp 40 00½ 1
Eldridge, Pope and Co. A (£1) 2200
FKB Grp New (5p) 107 62
Gibbs Mew 150 (21/8)
Goodhead Print Grp (20p) 87♦
Goslo (Laurence) 97 (21/8)
Hanvitree Brewery 380 (10/8)
Intervision Video (Hldgs) 7pcPf (£1) 30 (19/8)
Kenyon Securities 230 3 (21/8)
Lewmar New 06 0 100 1
Lyander Petroleum New (5p) 88 (21/8)
Michael (John) Design (2.5p) 52
Moss Advertising Grp New (5p) 87 8 90
Pacer Systems Inc (\$0.01) 138 40
Orvion Intnl 8.25pcPf (£1) 71 (16/8)
Perkins (John) Meats (10p) 33 (21/8)
Polyplpe (10p) (13 0 7
Sapphire Petroleum (50p) 05 8
Spectrn Automotive and Eng Prods (10p) 45
Synterinls (10p) £0.11
Technology for Business 7pcPf (£1) 105‡ ½‡ (10/8)
Trilion (19p) 104♦ 5♦
United Friendly Insurance 0 (10p) 377 (10/8)
Yellowhammer New (5p) 128 30 2

## RULE 535 (2)

**Applications granted for specific bargains in securities not listed on any exchange**

Airship Inds 24 5
Airship Inds (1p) 25 ½ 6
Alliance Bldg Soc 11pcBds dos 9/10/05 £99.711pc. 714pc (21/8)
Allied Entertainments (£1) 120 2
Armstrong Equipment 10pcCnvLnNts 1987 £94¾pc 5pc
Aston Villa FC (1 vote) (£5) 400 500 (21/8)
Astra (£1) 197 8
Automated Security 7pcUns £25pc 30pc (19/8)
Bristol & West BS 10¼pcBds £99.700pc .789pc (21/8)
Carlyle Wishart 15pcUns 1908 £95pc (21/8)
Channel Hotels (10p) 100 (20/8)
Conister Tst 95 (16/8)
Dawson (Wm) (10p) 380 5 5 0
De Gruchy (Abraham) (£1) d60 (20/8)
Domes of Silence (1920) (2½p) 37 40
Fleming Property £1930 (19/8)
Gale (G.) (£1) 380 0 (21/8)
Grampian TV (10p) 20 32 (18/8)
Guernsey Gas Light (£1) 245
Hill Samuel Property (£1) 195 (19/8)
Hill Woolger (£1) 215 8 (21/8)
ICB (10) £13½ ½
Integrated Business (5p) 125 0 (21/8)
Jersey Gas 5pcAPf (£1) 40 (20/8)
Jersey New Waterworks 2pc4thPf (£5) 80 (20/8)
Jersey New Waterworks 3½pc2ndPf (£5) 140 (20/8)
Jersey New Waterworks 5¼pc3rdPf (£5) 150 (20/8)
Kunick Leisure (10p) 53 (21/8)
Le Riches Stores (£1) 535 7
Merrett (10p) 200 5 (21/8)
Minch Norton (Ir£1) 120 (21/8)
Newgate (5p) 1 ¾ 2 ¼ (18/8)
Norton Villiers Triumph (10p) 5 ½ (19/8)
Ouvah Highfields (£1) 95 100 (10/8)
Rangers FC (£1) £12 (18/8)
Ryan Hotels (Ir5p) 53-64ths 10 (16/8)
Sefton Hotel 7pcPf (£1) 55 (20/8)
Sinclair Research 400 25 (20/8)
5th Quay Ins (£1) 125 (20/8)
Submersible TV Surveys 8pcPf (£1) 95 (21/8)
Submersible TV Surveys 12pcUns 1989 £95pc (21/8)
Sutton Harbour Improvement 5½pcPf NV 6¼ (19/8)
Teddnle Invs (10p) 8 9
Thwaites (Daniel) (£1) 890 0 (19/8)
Villiers Hotel (£1) 150 (20/8)
Villiers Hotel 8pcBPf (50p) 23 (20/8)
Villiers 7pcPf (£1) 55 120(0)
Weetabix A (Non-Vtg) 140 1 (19/8)
Welsh Inds Inv Tst (5p) 24½ 8
Westavon (£1) 114½ 5

## RULE 535 (4) (a)

**Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List**

Alro-West Mining 0 ¼
ACI Intnl 147
AOG Minerals 10♦ (19/8)
American Hospital Supply Corp £32½♦ (19/8)
Ampol 105♦ 5 (10/8)
Ampol Expln 143 (10/8)
Amsterdam-Rotterdam Bank £20 15 (21/8)
Anglo-Alpha 280♦
Anglo Gold Mines 5¼ (16/8)
APM 138♦
Ariadne Australia 31 (21/8)
Ashton Mining 37
Assoc Manganese Mines of SA £31 (10/8)
Atlantic Richfield £42½♦
Aust Foundation Inv 92 (21/8)
Aust Guarantee Corp 139 (21/8)
Avon Products US\$22¼♦ (21/8)
Aztec Expln 14½ (21/8)
Bamboo Gold Mines 10 (20/8)
Basic Resources Int (Bahamas) 100♦
Beach Petroleum 51♦ (20/8)
Beatrice Cos Inc US\$34½♦ (19/8)
Bell Grp 415♦ (10/8)
Berjuntai Tin Dredging 00 (20/8)
Boral 170♦ (18/8)
BP Canada £17½♦ 15♦
Brambles Industries 205
Bukit Sembawang 100
Burlington Northern £47¼ (10/8)
Castlemaine Tooheys 393 8 8 400
Central Pacific Minerals 23 ½
Cheung Kong (Hldgs) 172
Coles (G.J.) 208 7
Computervision Corp £10½♦ (21/8)
Conex Aust 2¼
Daimler-Benz (DM 00) 228♦ (20/8)
Development Bank of Singapore 150♦ (21/8)
Dresdner Bank DM 267½♦ (20/8)
Duff Developments Berhad 175
Du Pont (E.I.) De Nemours US\$57½ (20/8)
Emperor Mines 210 (21/8)
First Pacific Hldgs 3½ 4½ 5 (21/8)
Freeport-McMoran Inc £51½♦
General Mills £42¼
Genesis Corp £17♦
Hang Lung Development 00
Hang Seng Bank 450
Hartogen Energy 112
Hewlett-Packard US\$35½
Highveld Steel & Vanadium U\$2.14 (20/8)
Hong Kong & Kowloon Wharf & Godown 85½ (20/8)
Hong Kong Electric Hldgs 75½ (21/8)
Hooker Corp 98
Humana Inc £22¼ (21/8)
Hunter Resources 23♦ 4 (21/8)
Husky Oil £4½ (20/8)
Hysan Development 8 (16/8)
Int Mining 8½ (21/8)
Jardine Securities 131½♦
Jones Mining (A\$0.20) 23 (21/8)
Kern Corp 01♦ (21/8)
Kidston Gold Mines 304 297 (20/8)
Kimberley-Clark Corp £44 (21/8)
Lac Minerals £18¼
Lawter Intnl US\$11¼ (10/8)
Lilly (Eli) £82½♦
Lufthansa DM 50 DM 55♦♦ (20/8)
Mack Trucks £8¼♦
Malaysian Plantations 423
Marco Resources 40♦ 40 (16/8)
Marriott Corp US\$93¾ 4¼ (20/8)
McDonald's Corp £43¾ (21/8)
Melville Corp £51½♦
Minnesota Mining & Manufacturing US\$75¼♦ (20/8)
Myer Emporium 188
National Electronics (Cons) 7¼♦ 6¼ ¼ 7
Nationale-Nederlanden CVA (Fl) 2.51 £17½♦ 00 (20/8)
Nedbank Grp £3¼♦ (20/8)
Negri River Corp 37
North Flinders Mines 120♦ (19/8)
Oakwood Int Petroleum 5½♦ 5 (21/8)
Oil Co of Australia (A\$0.35) 42½ (19/8)
Oil Search (5 18¼ ¼
Olimet Resources 28 (21/8)
Overseas Chinese Banking Corp 190 (20/8)
Pan Am Corp 540 (19/8)
Pancontinental Petroleum 18♦ (20/8)
Philadelphia Electric US\$15½ (21/8)
Philip Morris Inc £58½♦
Pioneer Concrete Services 103 (15/8)
Poseidon 220
Prime Computer 13½♦ (18/8)
Procter & Gamble £41¾ (21/8)
Regal Hotels (Hldgs) 12 (20/8)
Rodamco £31♦ (21/8)
SA Manganese Amcor 215♦ (16/8)
Sandgate Corp £17½♦
Schering-Plough Corp £33¼ (19/8)
Scientific-Atlanta £0¼ (10/8)
Selangor Coconuts 74♦ (20/8)
Siemens AG £139½♦ 41¼♦ DM 535 7½
Smith (Howard) 255 (19/8)
Sonora Gold Corp 360♦
Southern Resources 110
Stelco Class A Conv £10 (10/8)
Strategic Minerals Corp 11 (19/8)
Sun Hung Kai Properties 125♦ (19/8)
Tandem Resources 165♦
Target Petroleum 15♦
Target Petroleum (A\$0.15) 8♦
Teck Corp B £7½ (20/8)
Telerate Inc US\$18½ (20/8)
Treasure Valley Expln 70 (19/8)
Tri-Continental Corp £10½ (20/8)
Unilever NV (Fl 20) £76.05
Valiant Cons 10♦ 13½ (19/8)
Vulcan Minerals 23♦ (19/8)
Windsor Industrial Corp 41½♦ (16/8)
Woolworth Class A £9¼ (20/8)
Woolworths (A\$0.50) 170 4 (21/8)
Zanex 14 (18/8)
Zone Petroleum 15♦

## RULE 535 (3)

**Dealings for approved companies engaged solely in mineral exploration**

(None)

*(By permission of The Stock Exchange Council)*

## CONTRACTS

# £12m boiler plant order

**M. E. BOILERS**, Peterborough, has an order from Tate and Lyle Refineries for dual fuel fired fluidised bed boiler plant to be installed at Thames Refinery, Silvertown, to provide the complete steam generating and auxiliary plant valued at some £12m. The plant, to be operational in 1987, is based on three M.E. coil boiler units each 45,000 kg/h evaporation at steam conditions of 45 bar and 370 deg. C. Provision will be made to add a fourth unit at a later date. The boiler units incorporate integral atmospheric fluidised bed combustors burning coal as the primary fuel with heavy fuel oil providing 100 per cent standby. Steam in the refinery is used for electrical power generation through back pressure steam turbine generators providing low pressure steam for process.

★

**HARRIS GRAPHICS**, Slough, has won an order for its British-made 525 roll collator—not from a business forms printer, but from John Lane International, leading UK manufacturer of advanced glueing systems. The collator which usually sells at around £80,000, will be used for research and development into new computer controlled glueing systems, and as a test-bed for new models and modifications. It will also enable demonstrations and test runs on customer's materials to be carried out with none of the inherent problems of using a production plant.

★

The Associated Examining Board has placed a £600,000 order for computer system with **HONEYWELL**. AEB, the largest GCE examining board in Britain, will use the computer for processing marked examination scripts, assigning grades, and printing GCE certificates.

★

Bristol-based **ROBERT WATSON & CO (STEELWORK)**, an AMEC company, has been awarded a £500,000 plus steelwork contract for the Plymouth and South Devon Co-operative Society's new superstore in Transit Way, Plymouth. The contract is for about 470 tonnes of steelwork and metal deck flooring. A steel-framed, single-storey structure utilising welded lattices, with main trusses formed from rectangular hollow sections, the retail unit will have an internal clear span of 46 metres. Main contractor is Clarke Construction, Exeter.

★

Mathew Hall Norcain Engineering has awarded **ACALOR INTERNATIONAL**, Crawley, a contract valued at £200,000 for laying chemical resistant floors and applying Plastapak impervious wall and ceiling finishes to the sterile areas in the National Blood Transfusion Services blood products laboratory, Elstree. Acalor is an Ault & Wiborg company.

★

**WILTSHIER NORTHERN**, Darlington-based operating company in the John E. Wiltshier Group, is starting work on three contracts together worth £2m: at Barnard Castle, to fit out Hintons Supermarket off Galgate for Argyll Stores (Properties) at £287,000 for completion in 10 weeks; Coulby Newham, near Middlesbrough, is to have a new Roman Catholic church, presbytery and church hall adjacent to the new district centre development, for £909,000. The steel frame design with facing brickwork walls and multiplane timber roof construction covered in natural slates will take 65 weeks to complete. Winterton Hospital in Sedgefield, County Durham, is to have alterations and extensions in updating its boiler house at £784,000. Completion is due in April 1987.

★

**WILCON CONSTRUCTION**, building division of Wilson (Connolly) Holdings, Northampton, has won orders worth over £3m. Largest individual project is to build a 38,000 sq ft warehouse and two-storey office block for Anker International at Interchange Park, Newport Pagnell—the contract is valued at £782,000 and scheduled for completion in February 1986. In Chelmsford, work has started on a freezer centre for Bejam—the 12,000 sq ft, £596,000 building will be completed in January 1986. A further £538,000 contract has been negotiated with Swindon-based Shorko Films, a division of Courtaulds, to continue refurbishment and provision of new production buildings and services at the Cheyney Manor site. Two Housing Association contracts are valued at £742,000, the first to build 18 sheltered bungalows at South Cerney for Cheltenham and District H/A the second at Coventry where Wilcon will build 18 sheltered flats for Coventry Churches H/A. Also in Coventry Wilcon has won a £315,000 contract for re-roofing the Abbey Panels building. Other work is for Robert Horne Paper Group Northampton (£67,000 cloakroom and toilets) and Nautech Portsmouth (£72,000, mezzanine floor).

★

**TAYLOR WOODROW CONSTRUCTION (SCOTLAND)**, Glasgow, has won a contract valued at £225,000, from Aggreko Generators, diesel generator hirer and manufacturer, for an extension to its factory unit at Overburn Avenue, Dumbarton. The work will comprise an 18-metre long extension to a single-storey factory, making an increase in floor area of 480 sq metres. Work has started with completion scheduled for November.

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

CONTINUED OVERLEAF

# AUTHORISED UNIT TRUSTS & INSURANCES

**Pearl Trust Managers Ltd. (a)(g)**
252, High Holborn, WC1V 7EB. 01-405 8441

| | | | | |
|---|---|---|---|---|
| Pearl Growth Fd. | 63.1 | 67.1 | +0.1 | 3.41 |
| Accum Units | 93.2 | 99.2 | +0.1 | 3.41 |
| Pearl Inc. | 89.2 | 94.9 | +0.1 | 5.00 |
| Pearl Unit Tst. | 93.0 | 98.9 | | 4.13 |
| (Accum. Units) | 157.3 | 167.3 | +0.1 | 4.13 |

**Perpetual Unit Trust Mngmt. (a)**
48, Hart Street, Henley on Thames. 0491 576868

| | | | | |
|---|---|---|---|---|
| Growth | 180.9 | 194.1 | ---- | 1.52 |
| Income | 138.8 | 148.7 | ---- | 5.34 |
| Worldwide Recovery | 102.8 | 110.4 | ---- | 2.15 |
| American Growth | 56.0 | 60.1 | ---- | 0.71 |
| Intl. Emerging Cos. | 57.9 | 62.3 | ---- | 0.77 |
| Far East&Growth Fd. | 46.1 | 49.5 | ---- | 1.0 |

**Prolific Unit Trusts**
222, Bishopsgate, EC2. 01-247 7544/7

| | | | | |
|---|---|---|---|---|
| Prolific Far East | 99.9 | 107.0 | -0.4 | 0.29 |
| Prolific Extra Inc. | 61.4 | 65.5 | ---- | 6.25 |
| Prolific Gilt Cap. | 82.5 | 85.8 | +0.1 | 3.21 |
| Prolific High Inc. | 129.1 | 138.7 | +0.5 | 5.41 |
| Prolific Intl. | 81.4 | 87.2 | ---- | 1.71 |
| Prolific N. Amer. | 116.3 | 121.7 | -0.4 | 2.56 |
| Prolific Spec. Sits. | 141.5 | 150.9 | +0.5 | 1.54 |
| Prolific Technology | 98.3 | 105.3 | -0.4 | 0.94 |

**Providence Capital Fd. Mgrs. Ltd.**
30 Uxbridge Road, London, W12 8PG. 01-749 9111

| | | | | |
|---|---|---|---|---|
| Japan Trust | 48.5 | 51.4 | -0.1 | — |
| Worldwide | 47.4 | 50.2 | ---- | 2.81 |
| European Trust | 50.3 | 53.3 | ---- | 2.17 |
| North American | 47.5 | 50.3 | -0.3 | 2.06 |
| UK Equity | 49.5 | 52.7 | +0.1 | 4.00 |

**Prudential Unit Trust Mngrs Ltd. (a) (b) (c)**
51-69, Ilford Hill, Ilford, Essex, IG1 2DL. 01-478 3377

| | | | | |
|---|---|---|---|---|
| Holborn Equity Tst. | 324.0 | 344.6 | -0.1 | 3.62 |
| Holborn Gilt Tst. | 155.1 | 162.1 | ---- | 7.26 |
| Holborn High Inc. | 55.4 | 58.9 | +0.3 | 6.83 |
| Holborn Intl | 59.4 | 63.6xd | +0.2 | 0.54 |
| Holborn UK Growth | 63.8 | 67.8xd | ---- | 3.21 |

**Quilter Management Co. Ltd.**
31-45 Gresham Street, EC2. 01-600 4177

| | | | | |
|---|---|---|---|---|
| Quadrant Gen. Fd. | 322.9 | 341.5 | +6.7 | 3.73 |
| Quadrant Income | 176.5 | 187.5 | +2.1 | 6.01 |
| Quadrant Intl. Fund | 286.0 | 300.1 | ---- | 1.58 |
| Quadrant Recovery | 200.6 | 213.4 | +5.4 | 2.69 |

**Reed Stenhouse Inv Services Ltd**
145 Borough High St, Ldn SE1 1HV 01-628 6011

| | | | | |
|---|---|---|---|---|
| Wellington Inc | 50.5 | 52.8 | ---- | 6.00 |
| Wellington Growth | 102.9 | 109.5 | ---- | 2.00 |

**Reliance Unit Mgrs. Ltd.**
Reliance Hse, Tunbridge Wells, Kent. 0892 22271

| | | | | |
|---|---|---|---|---|
| British Life | 133.7 | 141.4 | -0.4 | 4.91 |
| Reliance Unit Tst (Inc) | 85.6 | 91.5 | -0.1 | 5.07 |
| Reliance Ut Tst (Acc) | 110.4 | 118.0 | -0.2 | 5.07 |

**Ridgefield Management Ltd.**
35 Fountain St, Manchester M2 2AF. 061-236 5685

| | | | | |
|---|---|---|---|---|
| Income UT | 85.0 | 94.9 | +0.2 | 7.02 |
| International UT | 212.7 | 227.4 | -0.4 | 1.00 |

**N.M. Rothschild Asset Management**
St Swithin's Lane, London EC4. 01-280 5456

| | | | | |
|---|---|---|---|---|
| NC America (Inc) | 219.5 | 231.0xd | -0.6 | 1.45 |
| NC America (Acc) | 235.1 | 247.4xd | -0.8 | 1.45 |
| NC Engy Res. Tst. | 157.1 | 165.3 | -0.7 | 2.49 |
| NC Inc Fd | 68.5 | 72.1 | +0.3 | 4.94 |
| NC Japan Fund | 102.0 | 107.3 | -0.9 | 0.02 |
| NC Smaller Cos | 105.4 | 110.9 | +0.1 | 2.12 |
| NC Smaller European | 106.7 | 112.3 | +0.2 | 0.78 |
| NC Exempt Gilt Tst* | £120.0 | 125 | ---- | 10.74 |
| NC American Prop* | $11.21 | 11.80xd | ---- | — |
| NC Prop.* | 173.0 | 196.0 | ---- | — |

*Unauthorised Unit Trusts.

**Rowan Unit Trust Mngt. (a)**
1 Finsbury Av, London, EC2M 2PA. 01-606 1066

| | | | | |
|---|---|---|---|---|
| American Aug 22 | 188.5 | 192.5 | ---- | 1.57 |
| Securities Aug 20 | 569.0 | 584.0xd | ---- | 2.88 |
| High Yield Aug 23 | 126.0 | 129.5 | -4.5 | 6.06 |
| Merlin Aug 21 | 259.0 | 267.0xd | ---- | 2.23 |
| Fixed Interest | 153.5 | 154.5 | ---- | 2.70 |
| High Interest | 120.5 | 121.5 | ---- | 12.25 |
| Far East Aug 20 | 116.5 | 120.0xd | ---- | 1.15 |

**Royal Life Fd. Mgmt. Ltd.**
New Hall Place, Liverpool L69 3HS. 051-227 4422

| | | | | |
|---|---|---|---|---|
| Equity Trust | 48.5 | 51.5 | +0.3 | 3.18 |
| International Trust | 52.7 | 56.0xd | -0.3 | 1.76 |
| United States Trust | 26.2 | 27.8 | -0.2 | 1.99 |
| Pacific Basin | 23.8 | 25.3xd | -0.1 | 0.76 |
| Gilt Trust | 25.3 | 26.8 | +0.1 | 7.91 |

**Royal London Unit Tst Mgrs Ltd**
Ryl. Ldn Hse., Colchester, C01 1RA 0206 576115

| | | | | |
|---|---|---|---|---|
| American Growth | 68.6 | 73.0xd | -0.1 | 1.18 |
| Capital Accum | 144.5 | 153.9 | +0.7 | 3.25 |
| Gilt Income | 50.9 | 53.6 | +0.3 | 9.50 |
| High Income | 57.1xd | 60.8xd | -0.1 | 6.88 |
| Income & Growth | 66.6 | 71.0xd | +0.2 | 5.18 |
| Japan Growth | 47.9 | 51.0 | ---- | 0.10 |
| Special Sits | 79.6 | 84.7 | ---- | 2.03 |

**Royal Trust Can. Fd. Mgt. Ltd.**
48-50, Cannon St, London EC4N 6LD. 01-236 6044

| | | | | |
|---|---|---|---|---|
| Capital Fund Aug 15 | 142.3 | 152.2 | ---- | 2.0 |
| Income Fund Aug 15 | 118.1 | 126.3 | ---- | 6.8 |
| Ind Exempt* July 31 | £20.75 | 21.51 | ---- | 2.90 |

*Unauthorised

**SKG Management Limited**
20 Copthall Ave, EC2R 7JS. 01-600 7595

| | | | | |
|---|---|---|---|---|
| Gilt Acc. | 108.4 | 112.9 | ---- | 3.60 |
| Do. Dist. | 104.7 | 109.1 | ---- | 3.60 |
| Inc & Gwth In Rtmnt. | 127.7 | 135.8 | ---- | 2.99 |
| Do. Accum. | 127.1 | 135.8 | ---- | 2.89 |

**Save & Prosper Group**
28, Western Rd., Romford, RM1 3LB.
68-73 Queen St. Edinburgh EH2 4NX.
(Romford) 0708-66966 or (Edin.) 031-226 7351

| | | | | |
|---|---|---|---|---|
| Amer Inc & Grwth Fd (z) | 60.5 | 64.7 | +0.1 | 8.06 |
| Capital | 81.9 | 86.5 | -0.1 | 2.54 |
| Commodity | 50.6 | 53.8 | -0.1 | 2.87 |
| Energy Inds | 49.4 | 52.5 | -0.1 | 2.76 |
| European (z) | 59.5 | 63.2 | +0.1 | 1.09 |
| Exempt Income* | 59.0 | 61.8 | ---- | 6.53 |
| Exempt Intl* | 49.2 | 51.6 | ---- | 3.45 |
| Exploration Fund (z) | 36.6 | 38.6 | -0.3 | 0.86 |
| Financial Secs | 72.0 | 77.0 | -0.1 | 2.71 |
| Gilt & Fxd Int Grth | 76.1 | 76.9 | +0.1 | 11.05 |
| Gilt & Fxd Int Inc | 53.2 | 56.0 | +0.1 | 11.05 |
| High Return | 135.2 | 143.8xd | +0.3 | 6.09 |
| High-Yield | 122.4 | 130.2 | +0.4 | 5.59 |
| Income | 73.1 | 77.7xd | +0.3 | 7.25 |
| Intl Bond Fd (z) | 93.7 | 94.3 | +0.3 | 8.70 |
| ITU | 67.1 | 71.7 | ---- | 3.40 |
| Japan (z) | 46.0 | 48.9 | -0.1 | — |
| Japan Smaller (z) | 65.3 | 67.8 | +0.2 | — |
| New Technology (z) | 80.0 | 85.1 | ---- | — |
| Scribets | 98.5 | 105.3xd | -0.2 | 3.74 |
| Scotshares | 128.5 | 136.7 | +0.8 | 4.73 |
| Scotyields | 119.7 | 127.3 | +0.3 | 4.77 |
| Select International | 56.8 | 60.7 | -0.2 | 2.85 |
| Smaller Cos Inc Fd | 116.1 | 123.5 | +0.4 | 5.23 |
| SE Asia (z) | 93.9 | 99.8 | -0.3 | 1.94 |
| Special Situation Fd. | 75.0 | 80.2 | -0.1 | 2.67 |
| UK Equity | 137.8 | 147.3xd | +0.2 | 3.44 |
| U.S. (z) | 59.0 | 62.7 | -0.2 | 0.64 |
| Univ Growth | 62.3 | 66.3 | -0.1 | 2.21 |

*Prices on August 14

**Schroder Unit Trust Managers Ltd.**
Enterprise House, Portsmouth. 0705 827733

| | | | | |
|---|---|---|---|---|
| American | 104.4 | 111.5 | -1.5 | 1.70 |
| (Accum Units) | 105.9 | 112.8 | -1.5 | 1.70 |
| Australian | 57.0 | 63.5xd | ---- | 1.32 |
| (Accum Units) | 62.9 | 67.7 | ---- | 1.32 |
| European | 65.1 | 69.1 | -0.2 | 1.63 |
| (Accum Units) | 66.1 | 70.4 | -0.3 | 1.63 |
| Extra Income Fd | 49.0 | 52.2 | ---- | 8.05 |
| (Accum Units) | 49.3 | 52.5 | ---- | 8.05 |
| Gilt | 55.3 | 55.1xd | ---- | 10.89 |
| (Accum Units) | 75.2 | 79.9 | ---- | 10.89 |
| Gold Fund Inc. | 33.7 | 35.9 | ---- | 3.62 |
| (Accum Units) | 34.7 | 36.9 | ---- | 3.62 |
| Income | 128.6 | 137.0 | ---- | 5.83 |
| (Accum Units) | 276.1 | 294.5 | ---- | 5.81 |
| Intl. | 77.9 | 82.9 | -0.7 | 1.72 |
| (Acc. Units) | 101.0 | 114.0 | -0.9 | 1.72 |
| Jap. Smaller Cos | 61.1 | 69.4 | ---- | 0.1 |
| [illegible] | [illegible] | 46.0 | ---- | 0.81 |
| (Accum Units) | 51.4 | 54.9 | ---- | 0.86 |
| Smaller Cos | 100.4 | 107.0 | +0.6 | 1.81 |
| (Accum Units) | 104.4 | 111.7 | +0.6 | 1.81 |
| Special Sits Fd. | 80.3 | 85.4 | ---- | 1.57 |
| (Accum. Units) | 82.5 | 81.9 | ---- | 1.57 |
| Tokyo (z) | 139.1 | 111.1 | ---- | 0.40 |
| (Accum Units) | 115.0 | 111.2 | ---- | 0.40 |
| U.S. Smaller Cos. Fd. | 46.9 | 50.0 | +0.3 | 0.28 |
| UK Equity | 79.9 | 87.4xd | ---- | 3.67 |
| (Accum Units) | 130.7 | 148.6 | ---- | 3.67 |
| †Ptnr. & Charity Fund | 852.2 | 489.5xd | ---- | 4.14 |
| *Recovery | 566.2 | 601.9xd | ---- | 3.09 |
| *Spec. Ex. | 67.9 | 95.7xd | -0.1 | 2.11 |

*For tax exempt funds only. †After 10 for 1 Sub-Division.

**Scottish Equitable Fund Mgrs. Ltd.**
31 St Andrews Sq, Edinburgh 031-556 9101

| | | | | |
|---|---|---|---|---|
| Income Units | 117.8 | 125.3 | ---- | 3.77 |
| Accum Units | 157.1 | 161.0 | ---- | 3.77 |

Dealing day Wednesday.

**Scottish Life Investments**
19 St Andrew Sq, Edinburgh 031-225 2211

| | | | | |
|---|---|---|---|---|
| UK Equity | 173.1 | 190.4 | +0.5 | 2.52 |
| American | 126.4 | 134.5 | -0.3 | 1.49 |
| Pacific | 95.9 | 101.6 | -0.6 | 0.30 |
| European | 126.7 | 135.4 | +0.2 | 1.07 |

**Scottish Mutual Investment Managers Ltd.**
109 St. Vincent St, Glasgow G2 5HR. 041-248 6100

| | | | | |
|---|---|---|---|---|
| European | 103.2 | 110.9 | ---- | 1.13 |
| Gilt & Fixed Int. | 104.4 | 111.1 | ---- | 9.18 |
| North American | [illegible] | 91.1 | ---- | 1.17 |
| Pacific | 90.5 | 96.3 | ---- | 0.4 |
| UK Equity | 132.0 | 140.6 | ---- | 2.93 |
| UK Smlr. Cos. Equity | 107.9 | 114.8 | ---- | 2.27 |

**Scottish Provident Inv. Mgt. Ltd.**
6 St Andrew Sq, Edinburgh 2. 031-556 9181

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 132.9 | 141.1 | +0.1 | 3.65 |
| International Acc. | 126.2 | 134.3 | -0.8 | 1.44 |
| Gilt & Fxd Int Acc. | 111.1 | 118.9 | +0.4 | 9.52 |
| Index-Lkd Secs Acc. | 103.2 | 110.3 | +0.1 | 2.37 |

**Scottish Unit Managers**
29 Charlotte Sq, Edinburgh. 031-226 4372

| | | | | |
|---|---|---|---|---|
| Pacific Fund (z) | 31.6 | 33.6 | +0.3 | — |
| World Growth | 27.4 | 27.4 | -0.1 | 0.79 |
| North American (z) | 30.5 | 32.7 | -0.1 | 0.76 |
| Income Fund | 33.3 | 35.7xd | +0.1 | 5.93 |
| European (z) | 24.5 | 25.3 | +0.1 | 1.24 |
| Nth American Inc (z) | 23.1 | 24.6 | ---- | 4.05 |
| UK Growth | 25.4 | 27.3 | ---- | 2.35 |
| Extra Income | 25.1 | 26.9 | +0.1 | 7.06 |

**Scottish Widows' Fund Management**
P.O. Box 902, Edinburgh EH16 5BU. 031-655 6000

| | | | | |
|---|---|---|---|---|
| Pel Eq Acc Aug 23 | 203.3 | 216.4 | -0.3 | 3.970 |

**Standard Life Trust Mngmt. Ltd.**
3, George St., Edinburgh, EH2 2XZ. 031 225 2552

| | | | | |
|---|---|---|---|---|
| Income Units | 195.1 | 210.5 | -0.6 | 3.51 |
| Accum. Units | 211.4 | 226.4 | -0.8 | 3.51 |

**Stewart Ivory Unit Trust Mgrs Ltd.(a)**
45, Charlotte Sq, Edinburgh. 031-226 3271

| | | | | |
|---|---|---|---|---|
| American Fund | 351.8 | 393.7 | -1.6 | 0.81 |
| (Accum. Units) | 190.3 | 213.4 | -1.3 | 0.81 |
| (Withdrawal Units) | 132.7 | 141.4 | -0.7 | 0.81 |
| Australian Fund | 104.2 | 110.9 | -1.7 | 1.13 |
| British Fund* | 449.5 | 478.6 | ---- | 4.73 |
| (Accum. Units) | 595.3 | 634.6 | ---- | 4.73 |
| European Fund | 173.7 | 185.7 | -0.2 | 0.99 |
| Japan Fund | 179.2 | 182.4 | ---- | 0.54 |
| Saints PPP | 126.0 | 136.6 | ---- | — |

Deal. *Wed.

**Sun Alliance Fund Management Ltd.**
Sun Alliance Hse, Horsham. 0403 56293

| | | | | |
|---|---|---|---|---|
| Equity Tst. | 311.7 | 331.5 | -0.2 | 2.74 |
| North American | 43.8 | 46.5 | -0.4 | 1.66 |
| Far East | 49.2 | 52.4 | ---- | 0.76 |

**Sun Life Trust Mgmt. Ltd.**
107 Cheapside, EC2V 6DU. 01-606 6010

| | | | | |
|---|---|---|---|---|
| American Growth Acc. | 27.3 | 21.7 | ---- | 2.1 |
| American Income Acc. | 21.7 | 23.1 | -0.1 | 5.4 |
| American Income Inc. | 21.7 | 23.1 | -0.1 | 5.4 |
| European Growth Acc. | 25.4 | 28.1 | +0.1 | 3.1 |
| Far East Growth Acc. | 24.6 | 26.2 | ---- | 1.0 |
| Intl. Growth Acc. | 23.1 | 24.6 | -0.2 | 1.0 |
| Japan Growth Acc. | 26.5 | 30.2 | ---- | 0.4 |
| UK Growth Acc. | 26.0 | 27.6 | ---- | 2.7 |
| UK Income Acc. | 24.8 | 26.4 | +0.1 | 4.7 |
| UK Income Inc. | 24.8 | 26.4 | +0.1 | 4.7 |

**Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)**
99-101 London Rd, Sevenoaks. 0732 450161

| | | | | |
|---|---|---|---|---|
| Equity Dist.* | 215.6 | 228.1 | ---- | 4.09 |
| Equity Acc.* | 256.9 | 270.6 | ---- | 4.09 |
| Fixed Int. Dist.† | 116.F | 120.9 | ---- | 11.19 |
| Fixed Int. Acc.† | 164.7 | 170.6 | ---- | 11.19 |

*Prices on Aug 14. Next dealing September 11.
†Prices on Aug 7. Next dealing September 4.

**TSB Unit Trusts (b) (c) (y)**
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188. Dealings to 0264 63432-3

| | | | | |
|---|---|---|---|---|
| TSB American | 89.7 | [illegible] | [illegible] | 1.53 |
| Do. Accum. | 93.5 | [illegible] | [illegible] | 1.53 |
| TSB Extra Income | 82.5 | [illegible] | [illegible] | 6.50 |
| Do. Accum. | 95.0 | [illegible] | [illegible] | 6.50 |
| TSB General | 120.2 | [illegible] | [illegible] | 3.39 |
| Do. Accum. | 194.7 | [illegible] | [illegible] | 3.39 |
| TSB Gilt & Fxd Int. | 47.3 | [illegible] | [illegible] | 9.39 |
| Do. Accum. | 58.1 | [illegible] | [illegible] | 9.39 |
| TSB Income | 164.0 | [illegible] | [illegible] | 5.05 |
| Do. Accum. | 247.9 | [illegible] | [illegible] | 5.05 |
| TSB Pacific | 99.7 | [illegible] | [illegible] | 0.62 |
| Do. Accum. | 102.2 | [illegible] | [illegible] | 0.62 |
| TSB International | 222.7 | [illegible] | [illegible] | 1.89 |
| Do. Accum. | 271.1 | [illegible] | [illegible] | 1.89 |
| TSB Natural Resources | 44.6 | [illegible] | -0.1 | 2.12 |
| Do. Accum. | 45.1 | [illegible] | [illegible] | 2.12 |
| TSB Sictd. Opps. | 47.0 | [illegible] | [illegible] | 2.51 |
| Do. Accum. | 50.4 | [illegible] | [illegible] | 2.51 |

**3i & Target Fund Mgrs Ltd**
Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 5941

| | | | | |
|---|---|---|---|---|
| Small Co's Fund | 66.2 | 69.7 | -0.5 | 0.30 |

**Target Trust Mngrs. Ltd. (a)(g)**
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

| | | | | |
|---|---|---|---|---|
| American Eagle | 63.0 | [illegible] | [illegible] | 0.28 |
| Australia | 29.3 | [illegible] | [illegible] | 0.10 |
| Commodity | 87.0 | [illegible] | [illegible] | 2.00 |
| Energy | 39.5 | [illegible] | [illegible] | 0.32 |
| Equity | 99.9 | [illegible] | [illegible] | 3.82 |
| European Spec. Sits. | 53.9 | [illegible] | [illegible] | 0.63 |
| Extra Income | 89.3 | [illegible] | [illegible] | 8.51 |
| Financial | 209.2 | [illegible] | [illegible] | 2.56 |
| Gilt Capital | 123.1 | [illegible] | [illegible] | 3.25 |
| Gilt Income | 100.9 | [illegible] | [illegible] | 8.57 |
| Gold Income | 58.9 | [illegible] | [illegible] | 1.06 |
| Gold Acc. | 106.6 | [illegible] | [illegible] | 1.06 |
| Income | 60.3 | [illegible] | [illegible] | 4.79 |
| Japan | 43.6 | [illegible] | [illegible] | 0.10 |
| Malaysia & Singapore | 22.2 | [illegible] | -0.2 | 0.68 |
| Pacific Income | 60.7 | [illegible] | ---- | 0.52 |
| Pacific Re Inv. | 74.3 | [illegible] | ---- | 0.52 |
| Preference Share | 15.7 | [illegible] | ---- | 10.30 |
| Professional | 487.0 | [illegible] | +0.9 | 1.09 |
| Special Sits. | 80.4 | [illegible] | -0.1 | 1.16 |
| Technology | 40.3 | [illegible] | -0.2 | 0.10 |
| U.S. Special Bond | 48.9 | [illegible] | ---- | 6.45 |
| Worldwide Capital | 107.8 | [illegible] | -0.1 | 1.83 |
| Equity Exempt July 30 | 629.3 | [illegible] | ---- | 2.44 |
| Equity Ex Acc July 30 | 1,156.7 | [illegible] | ---- | 2.44 |

**Temple Bar Unit Trust Mgrs Ltd**
P.O. Box 442, 32 St Mary-at-Hill, EC3. 01-623 9333

| | | | | |
|---|---|---|---|---|
| Electra Small Cos. Fd. | 117.7 | 124.2 | ---- | 4.16 |
| High Income | 41.4 | 44.4xd | +0.2 | 7.26 |
| North American | 102.0 | 108.5 | +0.7 | 0.98 |
| Recovery | 123.1 | 131.0 | +0.8 | 3.85 |
| Gilt Trust | 37.9 | 39.3xd | +0.2 | 9.58 |
| St Vincent U.S. Grth | 63.1 | 65.8xd | -0.5 | 1.02 |
| St. Vincent High Inc. | 65.8 | 67.9xd | +0.3 | 6.60 |

**Touche, Remnant Unit Trust Mngt. Ltd.**
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

| | | | | |
|---|---|---|---|---|
| TR American Growth | 27.8 | 29.9 | ---- | 0.26 |
| TR General Growth | 40.5 | 43.6xd | +0.2 | 3.02 |
| TR Global Tech. | 27.8 | 29.6 | +0.1 | 0.1 |
| TR Income Growth | 45.2 | 48.7xd | +0.1 | 5.26 |
| TR Income Monthly | 38.7 | 41.2xd | +0.2 | 7.60 |
| TR Overseas Growth | 31.6 | 33.6 | ---- | 1.74 |
| TR Smaller Cos. | 42.1 | 44.8 | +0.7 | 1.86 |
| TR Special Ops | 42.6 | 45.8xd | ---- | 1.14 |

**Trades Union Unit Trust Managers**
100, Wood Street, EC2. 01-628 8011

| | | | | |
|---|---|---|---|---|
| TUUT Aug. 1 | 125.4 | 132.1 | ---- | 3.95 |

**Transatlantic and Gen. Secs. (c) (y)**
91-99, New London Rd., Chelmsford. 0245-51651

| | | | | |
|---|---|---|---|---|
| Colmeco Aug 23 | 365.0 | 381.4 | +3.0 | 4.50 |
| (Accum. Units) | 582.8 | 609.0 | +4.0 | 4.50 |
| Fielding Fd Aug 22 | 196.6 | 207.0 | ---- | 3.63 |
| (Accum. Units) | 213.5 | 224.8 | ---- | 3.63 |
| Fielding Inc Aug 22 | 133.0 | 140.1 | ---- | 5.29 |
| Flding AM&Gen Aug 22 | 193.5 | 203.7xd | ---- | 1.70 |
| (Accum. Units) | 217.5 | 229.0 | ---- | 1.70 |
| S&W American Aug 21 | 128.2 | 135.0 | ---- | 1.96 |
| S&W Smlr Secs Aug 21 | 96.4 | 101.5 | ---- | 1.09 |

**Tyndall Managers Ltd.(a)(b)(c)**
18, Canynge Road, Bristol. 0272 732241

| | | | | |
|---|---|---|---|---|
| Australian Securities | 63.6 | 68.1 | [illegible] | 0.82 |
| (Accum. Units) | 65.4 | 70.0 | [illegible] | 0.82 |
| Capital | 264.4 | 280.4xd | [illegible] | 4.25 |
| (Accum. Units) | 460.1 | 488.0 | [illegible] | 4.25 |
| Exempt | 219.0 | 233.3xd | [illegible] | 7.43 |
| (Accum. Units) | 481.2 | 512.5 | [illegible] | 7.43 |
| Far Eastern | 113.4 | 121.3 | [illegible] | 1.18 |
| (Accum. Units) | 120.4 | 128.8 | [illegible] | 1.18 |
| Fin & Prop. | 41.6 | 44.4 | [illegible] | 4.16 |
| (Accum. Units) | 64.0 | 68.2 | [illegible] | 4.16 |
| Gilt Capital Trust | 117.6 | 122.2 | [illegible] | 6.96 |
| (Accum. Units) | 128.7 | 133.8 | [illegible] | 6.96 |
| Gilt Income | 106.4 | 110.4 | +0.1 | 9.93 |
| (Accum. Units) | 160.3 | 166.3 | [illegible] | 9.93 |
| High Yield | 40.4 | 43.1 | [illegible] | 7.42 |
| (Accum. Units) | 84.0 | 89.5 | +0.6 | 7.42 |
| Income | 173.9 | 184.5 | +1.0 | 6.71 |
| (Accum Units) | 513.0 | 544.5 | +2.9 | 6.71 |
| Int. Earn. | 126.3 | 134.6 | +0.2 | 3.32 |
| (Accum. Units) | 179.1 | 190.8 | +0.2 | 3.32 |
| International Grwth. | 56.6 | 60.3 | -0.6 | 1.55 |
| (Accum. Units) | 58.0 | 61.8 | -0.4 | 1.55 |
| Japan Growth (Acc) | 56.5 | 60.5 | -0.3 | 0.20 |
| Natural Resources | 179.7 | 191.4 | -2.5 | 2.46 |
| (Accum Units) | 255.2 | 271.8 | -3.3 | 2.46 |
| Nth Amer Grth. | 103.8 | 111.1xd | -0.2 | 1.44 |
| (Accum Units) | 118.9 | 127.2 | -0.2 | 1.44 |
| Pref | 108.0 | 115.1 | +0.1 | 11.39 |
| (Accum Units) | 257.3 | 274.1 | +0.1 | 11.39 |
| Smaller Cos. | 145.1 | 154.6xd | [illegible] | 2.68 |
| (Accum Units) | 191.7 | 204.2 | [illegible] | 2.68 |
| Smaller Cos. Div. | 44.5 | 47.4xd | [illegible] | 7.22 |
| (Accum Units) | 49.0 | 52.2 | [illegible] | 7.22 |
| Special Sits | 83.3 | 88.8 | [illegible] | 2.64 |
| (Accum Units) | 85.6 | 91.2 | -0.1 | 2.64 |
| European Growth | 56.0 | 59.7 | [illegible] | 1.82 |

**Unit Trust Account & Mgmt. Ltd.**
Regis Hse, King William St, EC4R 9R. 01-623 4951

| | | | | |
|---|---|---|---|---|
| Friars Hse. Cap. Fd. | 101.9 | 108.5 | ---- | 2.30 |

**Vanguard Trust Managers Ltd.**
Bath Hse, London, EC1A 2EU. 01-236 3053

| | | | | |
|---|---|---|---|---|
| American & Gen Aug 20 | 46.2 | 49.2 | ---- | 3.23 |
| Growth Aug 20 | 131.9 | 138.1 | ---- | 3.28 |
| (Accum Units) | 187.6 | 196.4 | ---- | 3.28 |
| High Yield Aug 20 | 145.0 | 152.6xd | ---- | 5.67 |
| Special Sits Aug 14 | 273.6 | 288.0 | ---- | 3.74 |
| Trustee Aug 21 | 98.8 | 104.0 | ---- | 4.43 |
| (Accum Units) | 145.1 | 152.8 | ---- | 4.43 |

**Wardley Unit Trust Managers Ltd (a)**
Wardley Hse, 7 Devonshire Sq, EC2. 01-626 4411

| | | | | |
|---|---|---|---|---|
| American Tst. | 57.5 | 61.7 | -0.4 | 2.1 |
| Far East & Gn. Tst. | 60.2 | 64.0xd | -0.4 | 1.4 |
| Natural Resources | 43.6 | 46.3 | -0.4 | 3.0 |
| Income Tst. | 62.7 | 67.5 | +0.4 | 6.0 |
| Japan Growth Tst. | 58.3 | 62.7 | -0.3 | 0.2 |
| Smaller Cos. Tst. | 113.3 | 121.9 | +1.2 | 2.0 |
| Tchnlgy.Tst. | 27.2 | 29.2 | -0.3 | 0.2 |
| Australia Trust | 37.6 | 40.4 | -0.4 | 1.4 |
| UK Trust | 97.6 | 103.9 | ---- | 2.9 |
| European Growth Tst. | 26.5 | 28.2xd | -0.3 | 1.6 |
| Hong Kong Tst. | 22.6 | 24.1 | +0.1 | 2.0 |

**Waverley Asset Management Ltd (a) (c) (g)**
13 Charlotte Sq, Edinburgh. 031-225 1551

| | | | | |
|---|---|---|---|---|
| Australasian Gold | 20.9 | 22.3 | -0.6 | 0.10 |
| Pacific Basin Energy | 19.2 | 20.5 | +0.1 | 0.10 |
| Canadian Balncd Grwth | 46.7 | 49.9 | +0.1 | 3.0 |

**WestAvon Unit Trust Managers Ltd(a)(c)**
9 Portland Square, Bristol, BS2 8SS. 0272 428431

| | | | | |
|---|---|---|---|---|
| British Growth | 52.9 | 53.1 | ---- | 3.9 |
| British Income | 50.6 | 53.6 | ---- | 5.9 |

**Whittingdale Unit Trust Managers**
2 Honey Lane, EC2V 8BT. 01-606 9085/6

| | | | | |
|---|---|---|---|---|
| Short Dtd Gilt Fd | 58.2 | 59.1 | +0.1 | 1.44 |

**Wright Seligman Fund Managers Ltd.**
11, Blomfield St., London, EC2M 7AY. 01-588 0592

| | | | | |
|---|---|---|---|---|
| Growth Fund | 53.8 | 56.9xd | ---- | 1.41 |

Weekly dealing day Tuesday.

## INSURANCES

**AA Friendly Society**
(Investment Mngt M & G Inv Mngt Ltd)
PO Box 93, Cardiff CF1 4RW. 0222 35542

| | | | | |
|---|---|---|---|---|
| AA Friendly Sy Aug 9 | 83.9 | 85.9 | ---- | — |

**Abbey Life Assurance Co. Ltd.**
80, Holdenhurst Road, Bournemouth. 0202 292373

| | | | | |
|---|---|---|---|---|
| Prop. Ser. 1 | 209.8 | 220.9 | ---- | — |
| Equity Ser. 1 | 83.6 | 88.0 | -0.4 | — |
| Prop. Acc. Ser 2 | 271.7 | 286.0 | ---- | — |
| Equity Acc. Ser. 2 | 88.8 | 93.5 | -0.3 | — |
| Selective Acc. | 209.8 | 220.8 | -0.3 | — |
| Money Series 3 | 203.3 | 214.0 | ---- | — |
| Conv. Ser. 3 | 218.1 | 229.6 | ---- | — |
| Prop. Ser. 4 | 214.1 | 225.4 | ---- | — |
| Equity Ser 4 | 93.7 | 98.7 | -0.3 | — |
| Fixed Int. Ser. 4 | 172.4 | 181.5 | +0.8 | — |
| Indexed Inv. Ser. 4 | 109.4 | 115.2 | +0.3 | — |
| American Ser. 4 | 225.7 | 237.6 | -1.5 | — |
| High Inc. Ser. 4 | 222.1 | 233.8 | ---- | — |
| Japan Ser. 4 | 159.3 | 167.7 | ---- | — |
| Man. Ser 4 | 294.3 | 309.8 | -0.3 | — |
| Money Ser. 4 | 182.9 | 192.6 | ---- | — |
| Convertible Ser. 4 | 183.0 | 192.7 | ---- | — |
| Property Ser 4 Cap | 145.1 | 152.8 | ---- | — |
| Equity Ser 4 Cap | 61.4 | 66.9 | -0.2 | — |
| Managed Ser 4 Cap | 202.8 | 213.4 | -0.2 | — |
| Money Ser. 4 Cap | 125.0 | 131.6 | ---- | — |
| Fixed Int Ser 4 Cap | 157.1 | 165.4 | +0.7 | — |
| Indexed Inv S 4 Cap | 95.7 | 100.8 | +0.2 | — |
| American Ser 4 Cap | 205.2 | 216.1 | -1.3 | — |
| High Inc Ser 4 Cap | 201.9 | 212.6 | ---- | — |
| Japan Ser 4 Cap | 144.7 | 152.4 | ---- | — |
| Pension Funds | | | | |
| Property | 343.0 | 361.1 | ---- | — |
| Equity | 595.9 | 627.3 | -1.2 | — |
| Selective | 217.6 | 229.1 | -0.2 | — |
| Managed | 486.5 | 512.2 | -0.5 | — |
| Security | 303.7 | 319.7 | ---- | — |
| Fixed Int. | 177.0 | 186.4 | +0.7 | — |
| Indexed Inc. | 111.1 | 117.0 | +0.2 | — |
| American | 177.1 | 186.5 | -1.3 | — |
| Japan | 148.1 | 155.9 | ---- | — |
| Property Cap. | 192.9 | 203.1 | ---- | — |
| Equity Cap. | 340.1 | 358.0 | -0.7 | — |
| Managed Cap. | 275.0 | 289.5 | -0.3 | — |
| Security Cap. | 169.1 | 178.1 | ---- | — |
| Fixed Int. Cap. | 130.8 | 137.7 | +0.5 | — |
| Indexed Inv. Cap. | 90.3 | 95.1 | +0.2 | — |
| American Cap. | 153.9 | 162.0 | -1.0 | — |
| Japan Cap. | 127.3 | 134.0 | ---- | — |
| Property Cap. 2 | 335.4 | 353.1 | ---- | — |
| Equity Cap. 2 | 582.5 | 613.2 | -1.2 | — |
| Managed Cap. 2 | 475.7 | 500.8 | -0.5 | — |
| Security Cap 2 | 296.9 | 312.6 | ---- | — |
| Fixed Int. Cap. 2 | 173.0 | 182.2 | +0.7 | — |
| Index Inv. Cap. 2 | 108.6 | 114.4 | +0.3 | — |
| American Cap. 2 | 173.2 | 182.4 | -1.2 | — |
| Japan Cap. 2 | 143.3 | 150.9 | ---- | — |
| Moneywise Frly Soc | 64.6 | 68.0 | ---- | — |

**Aetna Life Insurance Co. Ltd.**
401 St. John St., London, EC1V 4QE. 01-837 6494

| | | | | |
|---|---|---|---|---|
| Life Funds (Accumulator Units) | | | | |
| Squirrel | 9.9 | 10.5 | ---- | — |
| Bear | 10.2 | 10.8 | +0.1 | — |
| Owl | 10.0 | 10.6 | ---- | — |
| Bull | 9.8 | 10.4 | -0.1 | — |
| Stag | 9.1 | 9.6 | -0.1 | — |
| Pension Funds (Accumulator Units) | | | | |
| Squirrel | 10.1 | 10.7 | ---- | — |
| Bear | 10.4 | 11.0 | ---- | — |
| Owl | 10.2 | 10.8 | ---- | — |
| Bull | 10.0 | 10.6 | -0.1 | — |
| Stag | 9.1 | 9.6 | -0.2 | — |

**Albany Life Assurance Co. Ltd.**
3, Darkes Lane, Potters Bar. 0707-42311

| | | | | |
|---|---|---|---|---|
| Equity Fd. Acc.(z) | 565.9 | 595.6 | -0.4 | — |
| European Fd Accum(z) | 133.6 | 140.6 | ---- | — |
| Fixed Int. Acc.(z) | 267.7 | 281.7 | +0.3 | — |
| Gtd. Money Fd. Ac.(z) | 187.9 | 197.7 | ---- | — |
| Intl. Man. Fd. Acc.(z) | 232.7 | 244.9 | -1.3 | — |
| Intl Fxd Int Fd Acc(z) | 153.4 | 161.5 | -0.4 | — |
| Japan Fund(z) | 143.2 | 150.7 | +1.2 | — |
| Nth American Fd Acc(z) | 141.2 | 148.6 | -0.5 | — |
| Prop. Fd. Acc.(z) | 192.2 | 203.3 | ---- | — |
| Multiple Inv. Acc.(z) | 406.5 | 427.9 | -0.7 | — |
| Pension Funds | | | | |
| Eq Pen Fd Acc(z) | 931.7 | 980.7 | -0.6 | — |
| Euro Fd Acc(z) | 147.7 | 155.5 | ---- | — |
| Fixed Int. Acc. (z) | 483.2 | 508.6 | +0.4 | — |
| Gt Money Pn Acc(z) | 294.7 | 310.1 | +0.1 | — |
| Intl Man Fd(z) | 303.6 | 319.6 | -2.2 | — |
| Jap Pen Fd Acc(z) | 160.5 | 168.9 | +1.7 | — |
| N Am Pn Fd Acc(z) | 157.2 | 165.4 | -0.8 | — |
| Property(z) | 277.4 | 292.0 | +0.1 | — |
| Mtple Inv Pens Acc(z) | 696.0 | 732.6 | -1.5 | — |

[illegible]

# INSURANCE, OVERSEAS & MONEY FUNDS

## OFFSHORE AND OVERSEAS

**World Fund S.A.**
2 Boulevard Royal, Luxembourg
World Fund NAV ... $11.73

**World Wide Growth Management**
10a, Boulevard Royal, Luxembourg
Worldwide Gth F.I. ... $13.42 ... -0.01
Inv. Adv.: M. & G. Inv. Mngt. Ltd., London.

**Yamaichi Dynamic Mngt Co SA**
10A Boulevard Royal, Luxembourg
Advanced Tech ... $9.34 ... +0.03
Dynamic Gwth Fd ... $8.32

## Money Market Trust Funds

| | Gross | Net | Gr Equiv CAR | Int Cr |
|---|---|---|---|---|
| **The Charities Deposit Fund** 77 London Wall, London EC2N 1DB 01-588 1815 | | | | |
| Deposit | 11.40 | — | — | 3-Mth |
| **The Money Market Trust** 63 Qn Victoria St, EC4N 4ST. 01-236 0952 | | | | |
| Call Fnd | 11.97 | 8.98 | 13.28 | 6mth |
| 7-day Fnd | 11.53 | 8.63 | 12.78 | 6mth |
| **Oppenheimer Money Management Ltd** 66 Cannon St, EC4N 6AL. 01-236 1425 | | | | |
| Call Fnd | 11.94 | 8.95 | 13.04 | 6-Mth |
| 7-day Fund | 11.44 | 8.58 | 12.58 | 6-Mth |
| Dollar | 6.69 | — | — | 6-Mth |
| Money Mngt. Acct. | 11.375 | 8.50 | 12.71 | 3-Mth |

## Money Market Bank Accounts

| | Gross | Net | Gr Equiv CAR | Int Cr |
|---|---|---|---|---|
| **Adam & Co. plc** 22 Charlotte Sq, Edinburgh, EH2 4DF 031-225 8484 | | | | |
| Full Service Cur Acc. | 11.25 | 8.00 | 11.93 | Qtr |
| **Aitken Hume** 30 City Road, EC1Y 2AY. 01-638 6070 | | | | |
| Treasury Acc. | 11.375 | 8.50 | 12.70 | Qtr |
| Mtr. Int. Chq. | 11.25 | 8.41 | 12.68 | Mth |
| **Bank of Scotland** 38 Threadneedle St, EC2P 2EH. 01-628 8060 | | | | |
| Money Mkt Cheque Acc. | 10.85 | 8.11 | 12.01 | Mth |
| **Barclays Prime Account** PO Box 125, Northampton 0604 252891 | | | | |
| High Int. Cheque | 11.0 | 8.25 | 12.32 | Qtr |
| **Britannia Investment Services Ltd.** 29 Finsbury Circus, EC2M 5QL. 01-588 2777 | | | | |
| Cater Allen | 11.13 | 8.32 | 12.34 | Mth |
| **Charterhouse Japhet plc** 1 Paternoster Row, EC4M 7DH. 01-248 3999 | | | | |
| Sterling | 11.13 | 8.23 | 12.34 | Mth |
| U.S. Dollar | 7.25 | 7.25 | 7.50 | Mth |
| German Marks | 4.75 | 4.75 | 4.85 | Mth |
| Swiss Francs | 1.50 | 1.50 | 1.51 | Mth |
| Japanese Yen | 5.00 | 5.00 | 5.12 | Mth |
| **Citibank Savings** St Martins Hse, Hammersmith Grove 01-748 9251 | | | | |
| Cheque Plus | — | 9.00 | 13.30 | Qtr |
| **Co-operative Bank Cheque & Save** 78-80 Cornhill EC3 01-626 6543. | | | | |
| £500-£2,500 | 9.50 | 7.10 | 10.41 | Qtr |
| £2,500 + | 12.00 | 8.97 | 13.26 | Qtr |
| **Dartington & Co Ltd** Dartington, Totnes, Devon TQ9 6JE. 0803 862271 | | | | |
| Money Mkt Acc. | 11.00 | 8.22 | 12.27 | Qtr |
| **Edward Manson & Co Ltd** 9 Henrietta Place W1M 9AG 01-631 3313 | | | | |
| Cheque Deposit Acc. | 11.50 | 8.59 | 12.98 | Mth |
| **Henderson/Bank of Scotland** 38 Threadneedle St EC2P 2EH 01-628 8060 | | | | |
| Money Mkt. Cheque Acc. | 11.0 | 8.22 | 12.10 | Mth |
| **Lloyds Bank PLC** 71 Lombard St, London, EC3P 3BS. 01-626 1500 | | | | |
| HighIntCheque Account | 11.25 | 8.25 | — | Qtr |
| **Lombard North Central PLC** 17 Bruton St, W1A 3DH. 01-409 3434 | | | | |
| 14-Day Notice | 11.500 | 8.596 | 12.280 | — |
| **M & G/Kleinwort Benson** 91-99 New London Rd, Chelmsford. 0245 51651 | | | | |
| H.I.C.A. | 11.125 | 8.31 | 12.35 | Daily |
| **Midland Bank plc** PO Box 2, Sheffield. 0742 20999 Ext 8653 | | | | |
| High Int Chq Acc. | 10.70 | 8.00 | 11.92 | Qtr |
| **Provincial Trust (formerly Choulartons)** 30 Ashley Rd, Altrincham, Cheshire 061-928 9011 | | | | |
| Cheque Acc. | 11.50 | 8.60 | 13.00 | Mth |
| **Royal Bank of Scotland plc** 24 Lombard St, London EC3V 9BA 031-557 0201 | | | | |
| Premium Account | 11.8 | 8.25 | 12.27 | Qtr |
| **Save & Prosper/Robert Fleming** 28 Western Rd, Romford RM1 3LB. 0708 66966 | | | | |
| H.I.B.A. | 10.96 | 8.20 | 12.20 | Daily |
| **Tyndall & Co** 29-33 Princess Victoria St, Bristol. 0272 732241 | | | | |
| Demand Acc. | 11.43 | 8.54 | 12.78 | Qtr |
| Money Acc. | 11.20 | 8.37 | 12.50 | Qtr |
| **J. Henry Schroder Wagg & Co Ltd** Enterprise House, Portsmouth 0705 827733 | | | | |
| Special Acc. | 11.25 | 8.40 | 17.68 | Mth |
| Over £10,000 | 11.50 | 8.60 | 13.00 | Mth |
| **Western Trust & Savings Limited** The Moneycentre, Plymouth PL1 5SE 0752 24141 | | | | |
| High Int Chq Acc. | 11.56 | 8.64 | 12.74 | Qtr |

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

### NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

## OPTIONS

### 3-month call rates

| Industrials | p | | p |
|---|---|---|---|
| Allied-Lyons | 16 | Marks & Spencer | 11 |
| BAT | 32 | Midland Bk. | 50 |
| BOC Grp. | 25 | NEI | 8 |
| BSR | 16 | Nat West Bk. | 60 |
| BTR | 52 | P & O Dfd. | 36 |
| Babcock | 14 | Plessey | 17 |
| Barclays | 48 | Polly Peck | 26 |
| Beecham | 32 | Racal Elect. | 18 |
| Blue Circle | 45 | RHM | 11 |
| Boots | 15 | Rank Org Ord. | 32 |
| Bowaters | 28 | Reed Intnl. | 50 |
| Brit Aerospace | 33 | Sears | 8 |
| Brit. Telecom | 11 | TI | 20 |
| Brown (J.) | 3 | Tesco | 28 |
| Burton Ord. | 39 | Thorn EMI | 35 |
| Cadburys | 14 | Trust Houses | 13 |
| Charter Cons. | 18 | Turner Newall | 10 |
| Comm Union | 19 | Unilever | 85 |
| Courtaulds | 12½ | Vickers | 19 |
| Debenhams | 17½ | **Property** | |
| Distillers | 28 | Brit Land | 12 |
| FNFC | 8½ | Cap Counties | 18 |
| Gen Accident | 45 | Land Secs. | 25 |
| Gen Electric | 17 | MEPC | 28 |
| Glaxo | 85 | Peachey | 22 |
| Grand Met. | 25 | Samuel Props | 14 |
| GUS "A" | 60 | **Oils** | |
| Guardian | 60 | Brit. Oil & Min. | 4 |
| GKN | 17 | Brit Petroleum | 42 |
| Hanson Tst. | 17½ | Burmah Oil | 28 |
| Hawker Sidd. | 53 | Charterhall | 6 |
| ICI | 60 | Premier | 5 |
| "Imps" | 18 | Shell | 60 |
| Jaguar | 28 | Tricentrol | 18 |
| Ladbroke | 24 | Ultramar | 19 |
| Legal & Gen | 50 | **Mines** | |
| Lex Service | 28 | Cons Gold | 44 |
| Lloyds Bank | 45 | Lonrho | 14 |
| Lucas Inds | 25 | Rio T Zinc | 56 |

A selection of Options traded is given on the London Stock Exchange Report Page.

# LONDON SHARE SERVICE

## BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1985 High | Low | Stock | Price £ | + or - | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | Exch. 12¼pc 1985 | 100 | -⅛ | [illegible] | 11.66 |
| [illegible] | [illegible] | Exch. 11½pc '86 | 100⅝xd | -⅛ | 11.71 | 10.85 |
| [illegible] | [illegible] | Treas. 10pcCnv 1986 | 99 | [illegible] | [illegible] | 10.66 |
| [illegible] | [illegible] | [illegible] 3pc 1986 | 95⅝ | [illegible] | 3.14 | 9.32 |
| [illegible] | [illegible] | Exch. 10½pc Cv '86 | 99¾ | [illegible] | [illegible] | 10.76 |
| [illegible] | [illegible] | Treas 12pc 1986 | 100⅞ | [illegible] | [illegible] | 10.75 |
| [illegible] | [illegible] | Treas 8¼pc 1984-86‡‡ | 98¼ | [illegible] | [illegible] | 10.45 |
| [illegible] | [illegible] | Exch. 14pc 1986 | 103 | [illegible] | [illegible] | 10.60 |
| [illegible] | [illegible] | Exch. 2½pc 1986 | 93 | [illegible] | 2.66 | 7.71 |
| [illegible] | [illegible] | Exch. 13½pc 1987 | 103½ | [illegible] | [illegible] | 10.52 |
| [illegible] | [illegible] | Treas 10¼pcCv '87 | 99¼ | [illegible] | [illegible] | 10.39 |
| [illegible] | [illegible] | Exch. 2½pc 1987 | 92¼xd | [illegible] | 2.70 | 7.81 |
| [illegible] | [illegible] | Exch. 10½pc 1987 | 99 | [illegible] | 10.53 | 10.60 |
| [illegible] | 89 | Funding 6½pc '85-87‡‡ | 94¼ | [illegible] | 6.90 | 10.29 |
| [illegible] | [illegible] | Treas. 10pc 1987 | 99 | [illegible] | 10.10 | 10.59 |
| [illegible] | [illegible] | Treas 3pc 1987 | 90 | [illegible] | 3.32 | 8.61 |
| [illegible] | [illegible] | Treas. 12pc 1987 | 102¼ | -⅛ | 11.72 | 10.69 |
| [illegible] | [illegible] | Treas. 7¾pc 1985-88‡‡ | 94 | [illegible] | 8.17 | 10.20 |
| [illegible] | [illegible] | Exch. 10½pc '88 | 99 | [illegible] | 10.52 | 10.55 |
| [illegible] | [illegible] | Treas. 9½pc Cv '88 | 97⅞ | [illegible] | 9.96 | 10.62 |
| [illegible] | [illegible] | Transport 3pc '78-88 | 86 | [illegible] | 3.48 | 8.59 |
| [illegible] | [illegible] | Treas. 9½pc '88 | 96⅞ | [illegible] | 9.81 | 10.66 |
| [illegible] | [illegible] | Treas. 11½pc 1989 | 102¼xd | [illegible] | 11.19 | 10.54 |
| [illegible] | 90¾ | Treas. 9½pc Cnv. '89 | 96 | [illegible] | [illegible] | 10.62 |

### Five to Fifteen Years

### Over Fifteen Years

### Undated

### Index-Linked

### INT. BANK AND O'SEAS GOVT STERLING ISSUES

### CORPORATION LOANS

### COMMONWEALTH & AFRICAN LOANS

### LOANS

#### Building Societies

#### Public Board and Ind.

#### Financial

### FOREIGN BONDS & RAILS

## AMERICANS

## AMERICANS—Cont.

| 1985 High | Low | Stock | Price £ | + or - | Div Gross | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| [illegible] | 16¼ | Amer Medical Int $1 | 17¾ | -½ | [illegible] | — | 3.0 |
| [illegible] | 14⅝ | American T. & T. $1 | 15½ | -⅛ | [illegible] | — | 5.6 |
| [illegible] | 62⅞ | Ameritech $1 | 64½ | | [illegible] | — | 6.7 |
| 25 | 16 | Amfac‖ | 19 | | [illegible] | — | 5.5 |
| 47 | 27p | ♦AridTech‖ | 28¼ | | — | — | — |
| [illegible] | 10⅝ | Bankamerica $1½ | 10⅞xd | -⅛ | [illegible] | — | 5.4 |
| [illegible] | 46⅞ | Bankers N.Y. $10 | 46⅝xd | -1 | $2.[illegible] | — | 4.2 |
| [illegible] | 627p | BASIX Corp. | 633p | -8 | [illegible] | — | 1.4 |
| [illegible] | 61¼ | Bell Atlantic $1 | 64⅝ | | [illegible] | — | 7.6 |
| [illegible] | 28 | Bellsouth $1 | 29¼ | | [illegible] | — | 6.4 |
| [illegible] | 11⅞ | ♦Beth Steel $8 | 12⅝ | | [illegible] | — | 2.3 |
| 24 | 16⅜ | Bowater Inc. | 16⅝xd | -⅛ | [illegible] | — | 5.1 |
| 40½ | 31⅞ | Brown'g-Fer. 16⅔c | 36⅛ | -⅛ | [illegible] | — | 2.1 |
| 37⅞ | 25⅝ | Brunswick Corpn‖ | 25⅝ | -⅛ | [illegible] | — | 2.8 |
| 525p | 204p | ♦Business Computer | 210p | | — | — | — |
| 39⅞ | 29¾ | CPC Intnl. 25c | 30¼xd | | [illegible] | — | 5.2 |
| 25 | 18⅞ | CSX Corp U.S.$1.00 | 18¼ | -⅛ | [illegible] | — | 4.0 |
| 19¼ | 13 | CalFed Inc $1.00 | 15⅛xd | -⅛ | [illegible] | — | 1.5 |
| 32⅞ | 25 | Campbell Soup 30c | 26⅝ | -⅛ | [illegible] | — | 13.5 |
| 31⅞ | 24⅝ | Caterpillar Tractor‖ | 25⅛xd | -⅛ | [illegible] | — | 1.4 |
| 902p | 551p | Cenergy Corp. 25c | 678p | +19 | [illegible] | — | 0.1 |
| 52¼ | 39½ | Chase M'htn $12.5 | 39⅞xd | -½ | [illegible] | — | 6.9 |
| 38⅞ | 28 | Chemical New York | 28 | | [illegible] | — | 6.4 |
| 34½ | 22⅞ | Chesebrough-Pond's $1 | 24⅞ | | [illegible] | — | 5.6 |
| 32⅞ | 24⅝ | Chrysler $6¼ | 25⅝ | -⅛ | [illegible] | — | 2.8 |
| 42⅞ | 32⅞ | Citicorp $4 | 33⅝ | -⅛ | [illegible] | — | 4.9 |
| 10½ | 780p | CityFed Fin. Corp. | 10⅛ | -⅛ | [illegible] | — | 2.8 |
| 23½ | 18⅝ | Colgate-P. $1 | 19 | | [illegible] | — | 4.9 |
| 57⅞ | 42 | Colt Inds. $1 | 42½ | +½ | [illegible] | — | 4.2 |
| 155p | 40p | Cont Illinois Hldgs $1 | 62p | | — | — | — |
| 238p | 100p | ♦Corporate Data Scnce. | 113p | | — | — | — |
| 36¼ | 26⅝ | Crown Zell. $5 | 27⅞xd | | $1.[illegible] | — | 2.6 |
| 44⅞ | 12⅞ | Cullinet Sftwr $0.1 | 12⅞ | -⅛ | — | — | — |
| 306p | 248p | Damson Oil 40c | 259p | -2 | — | — | — |
| 29 | 18 | Dana Corp. $1 | 18xd | -⅛ | [illegible] | — | 5.1 |
| 67 | 22⅛ | Data General | 26¼ | -1⅛ | — | — | — |
| 77p | 23p | ♦Derma-Lock Medicl | 23p | | — | — | — |
| 67 | 52⅞ | Dun & Bradstreet $1 | 53⅛xd | -1⅛ | [illegible] | — | 2.5 |
| 55½ | 37⅞ | Eaton Corpn. 50c | 39⅝ | -⅛ | $1.[illegible] | — | 2.2 |
| 46⅞ | 36⅛ | ♦Exxon‖ | 36⅛ | -⅛ | $3.[illegible] | — | 6.0 |
| 20⅞ | 12⅞ | FPL Group $0.01 | 17⅛ | -⅛ | [illegible] | — | 7.8 |
| 974p | 447p | Fin. Corpn. Amer. 50c | 455p | -8 | [illegible] | — | 5.4 |
| 23⅞ | 16⅛ | First Chicago $5 | 16⅛ | -⅛ | [illegible] | — | 5.7 |
| 17⅞ | 11⅞ | Fluor Corpn. 62½c | 11⅞ | -⅛ | [illegible] | — | 2.5 |
| 45⅞ | 12⅞ | Ford Motor $2 | 31⅛xd | -⅛ | [illegible] | — | 5.5 |

## CANADIANS

## BANKS, HP & LEASING

#### Hire Purchase, Leasing, etc.

## BEERS, WINES & SPIRITS

## BUILDING, TIMBER, ROADS

## BUILDING, TIMBER, ROADS—Cont.

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

## DRAPERY & STORES—Cont.

## ELECTRICALS

## ENGINEERING

## ENGINEERING—Continued

## FOOD, GROCERIES, ETC

## HOTELS AND CATERERS

## HOTELS—Continued

## INDUSTRIALS (Miscel.)

## INDUSTRIALS—Continued

[illegible]

## INSURANCES

[illegible]

## LEISURE

[illegible]

## LEISURE—Continued

[illegible]

### MOTORS, AIRCRAFT TRADES

#### Motors and Cycles

[illegible]

#### Commercial Vehicles

[illegible]

#### Components

[illegible]

#### Garages and Distributors

[illegible]

### NEWSPAPERS, PUBLISHERS

[illegible]

### PAPER, PRINTING, ADVERTISING

[illegible]

### PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

### SHIPPING

[illegible]

### SHOES AND LEATHER

[illegible]

### SOUTH AFRICANS

[illegible]

### TEXTILES

[illegible]

### TOBACCOS

[illegible]

### TRUSTS, FINANCE, LAND

#### Investment Trusts

[illegible]

## INVESTMENT TRUSTS—Cont.

[illegible]

### Finance, Land, etc

[illegible]

## FINANCE, LAND—Cont.

[illegible]

### OIL AND GAS

[illegible]

### OVERSEAS TRADERS

[illegible]

### PLANTATIONS

#### Rubbers, Palm Oil

[illegible]

#### Teas

[illegible]

### MINES

#### Central Rand

[illegible]

#### Eastern Rand

[illegible]

#### Far West Rand

[illegible]

## MINES—Continued

### O.F.S.

[illegible]

### Diamond and Platinum

[illegible]

### Central African

[illegible]

### Finance

[illegible]

### Australians

[illegible]

### Tins

[illegible]

### Miscellaneous

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 350 | 117 | ♥Centennial Min'ls. | 160 | ..... | — | — | — |
| 120 | 60 | ♥Colby Res Corp. | 60 | −10 | — | — | — |
| 550 | 287 | Cons. Murch. 10c | 330 | ..... | Q100c | 1.4 | 9.0 |
| 40 | 24 | ♥Essex Ind. Ir10p | 26 | ..... | — | — | — |
| 215 | 115 | Hampton Areas 10p | 150 | ..... | 3.75 | 0.9 | 3.4 |
| 260 | 135 | ♥Highwood Res. | 170 | ... | — | — | — |
| £22½ | £17½ | Homestake Mining $1 | £19⅞ | −⅛ | Q20c | — | 7.2 |
| 310 | 190 | ♥McFinley Red Lake | 210 | −10 | — | — | — |
| 335 | 195 | ♥Mosto Explorations | 305 | +2 | — | — | — |
| 55 | 23 | ♥New Sabina Res C$1 | 45 | ..... | — | — | — |
| 373 | 245 | Northgate C$1 | 270 | −20 | — | — | — |
| 685 | 533 | RTZ | 580 | ..... | 20.0 | 2.7 | 4.9 |
| £145½ | £116½ | Do. 9⅛pcLn '95-2000 | £128 | ..... | Q9½% | 14.0 | 0.1 |
| £14½ | £10 | ♥Tara Expln $1 | £10¼ | −¼ | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ *Interim since reduced, passed or deferred.*
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed: dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # *Price at time of suspension.*
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ *Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.*
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. *b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate* paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official *estimates for 1984-85. G Assumed dividend and yield after pending scrip and/* or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

## REGIONAL & IRISH STOCKS

*The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.*

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv 20p | 96 | ..... | Arnott | 182 | +2 |
| Craig & Rose £1 | 700 | ..... | CPI Hldgs | 62 | ..... |
| Finlay Pkg. 5p | 60 | ..... | Carroll Inds. | 143 | +1 |
| Higsons Brew | 235 | ..... | Dublin Gas | 67 | ..... |
| Holt (Jos) 25p | 730 | ..... | Hall (R. & H.) | 58 | ..... |
| IoM Stm. £1 | 90 | +3 | Helton Hldgs. | 19 | ..... |
| IRISH | | | Irish Ropes | 46 | ..... |
| Fund 11¼% 1988 | £101¼ | ..... | Jacob (W. & R.) | 80 | −2 |
| Nat. 9¾% 84/89 | £97½ | ..... | Unidare | 95xd | ..... |
| Fin. 13% 97/02 | £110½ | ..... | | | |

"Recent Issues" and "Rights" Page 12

FINANCIAL TIMES

Saturday August 24 1985



# TUC to review labour law policy

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TUC is set at its Congress early next month to open the way for a major review of its attitude to industrial legislation.

A composite motion has been formulated which brings together unions on the right and left of the Labour movement and has been the subject of intensive consultation between TUC and Labour leaders. If passed it would commit the unions to press for a "positive framework of law" which would replace the system of immunities from legal action which has governed British industrial relations for a century.

It has also succeeded in dropping a contentious call for a future Labour government to "return all funds seized or exacted from trade unions" under the employment legislation. This was seen by Mr Neil Kinnock, the Labour leader, as an electoral millstone if it was passed.

The motion will be proposed by Mr Ron Todd, general secretary of the left-led Transport and General Workers' Union, and will be seconded by Mr Alastair Graham, general secretary of the right-led Civil and Public Servants Association.

They will put different glosses on the motion in their speeches, but both have assented to the TUC's present overriding priority—to do as much as possible to provide the Labour Party with an electable platform for the next election.

The motion gives to the left the most ferocious condemnation of the current employment legislation, a reaffirmation of the "Wembley principles" of defiance of that legislation and a condemnation of those unions which have defied these principles.

However, it also seeks a "major review of current industrial relations legislation within the TUC-Labour Party Liaison committee." Many unions will urge that such a review should recognise that unions are pragmatically coming to terms with employment law, and begin to erect a system of positive rights to replace the immunities system.

The motion also proposes an extension of "individual" as well as "collective" rights. Many unions, as well as Mr Kinnock, will wish to translate this emphasis into a recognition that the balloting provisions in the 1984 Trade Union Act should be retained in any new framework of law.

The process of compositing motions and amendments has also produced a composite motion to be moved by the National Union of Mineworkers. This retains the controversial wording in its original motion to the effect that a future Labour government reinstate all sacked mineworkers, and reimburse the NUM and other unions for monies seized in fines and sequestration.

This motion, very little softened by the addition of an amendment from the National Communications Union, is almost certain to be unacceptable to the general council majority and to the Labour Party.

It is likely that the council will oppose it, and counterpose a statement expressing general support for the miners and the case for coal, but firmly dissociating the TUC from reinstatement and reimbursement.

# NUR confident of strike vote by guards

BY DAVID BRINDLE, LABOUR STAFF

THE National Union of Railwaymen ballot on retaining the union's political fund yesterday produced a seven-one vote in favour. Officials predicted another large majority in the separate vote by guards on national industrial action.

The union's leaders are confident that the experience of the Government-enforced political fund ballot will have boosted support for action over driver-only trains in yesterday's vote among the 11,000 guards.

Mr Jimmy Knapp, the NUR's general secretary, said: "The rise in the level of political awareness and activity in our organisation has been quite considerable, very considerable, during the course of this campaign."

The political fund ballot produced an 87.2 per cent vote in favour of retention on a turnout of 61.1 per cent. The result was partly attributed to the efforts of 1,000 specially-trained campaign organisers, who were again active yesterday as the guards voted.

Unlike the political fund ballot, in which 75 per cent of votes were postal or semi-postal, the guards' ballot was conducted chiefly at the workplace. The sealed voting papers will be counted centrally next week under the auspices of the Electoral Reform Society.

Disruption of the rail network by unofficial action by guards continued yesterday. Once again it caused most problems on the Western Region. A 24-hour strike by 38 guards at Swansea led to the cancellation of half the Inter-City services between South Wales and London Paddington and most local trains in West Wales.

The strike, in support of guards dismissed by British Rail for refusing to co-operate in driver-only trials, is expected to be matched by a strike in the Doncaster area on Monday. This is likely to disrupt east coast main line services.

Commuter services on the Strathclyde lines south of Glasgow and on the inner suburban lines from London Moorgate remained at a standstill yesterday. Mr Knapp, writing in his union's journal, said: "There will be no peace in our industry until every guard is reinstated."

The NUR is the 12th union to declare a "yes" vote in a political fund ballot prescribed by the Trade Union Act. No union has yet returned a "no" vote. The NUR's fund had an income of £375,000 in 1984, only 4,302 of the 136,435 members contracted out of paying the political levy.

Earlier yesterday, the Power Loom, Carpet Weavers' and Textile Workers' Union, which has some 3,200 members, declared a 75.3 per cent "yes" vote on its political fund on a turnout of 83.3 per cent.

# Maxwell and unions seek to resolve dispute

BY HELEN HAGUE, LABOUR STAFF

MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, was in talks last night with leading members of the National Graphical Association, one of the two major printworkers unions, after his decision to suspend publication of the group's four national newspapers following disruption to the production of The Mirror earlier this week.

Earlier yesterday, Mr Maxwell, speaking at the group's headquarters in London, said suspension of publication would continue until "order is restored and management is allowed to manage."

The disruptive chapel meeting by NGA composing room members at the Mirror on Wednesday night, which led to Mr Maxwell's decision to halt the presses, was in response to the publisher's plans to transfer typesetting of The Sporting Life from the Mirror Group's Holborn Circus complex in central London.

Mr Maxwell said production of the four titles—The Mirror, Sporting Life, The Sunday Mirror and People—would not be resumed until the NGA agreed not to hold disruptive chapel meetings, and agreed to the Sporting Life typesetting transfer to Oyez press in south east London.

NGA chapel (office branch) officials yesterday met regional leaders of the union in London.

Mr Tony Dubbins, general secretary of the NGA was at the meeting of chapel officials, but was believed not to have attended the talks with Mr Maxwell.

The chapel officials were expected to return to their London offices for a further meeting after the talks with Mr Maxwell.

Yesterday morning, Mr Dubbins called on Mr Maxwell to "stop posturing and start negotiating." He said: "NGA members at the Mirror have been sacked by Maxwell. They are ready to work but there must be negotiations, which have been refused and we cannot accept management by ultimatum."

A spokesman for Mr Maxwell confirmed that The Mirror would again not be published today.

The company's employees have been suspended since the decision to suspend publication of MGN's London newspaper titles. They have been paid until the end of the month.

Mr Maxwell met representatives of the other main print union, Sogat '82, yesterday morning, and chapel officers from the National Union of Journalists yesterday afternoon. He is scheduled to meet Mr Harry Conroy, general secretary elect of the NUJ, tomorrow.

Sogat '82 and the electricians union the EETPU have told their members to report to work as normal while the dispute continues.

Mr Maxwell said he believed the northern editions of the People and the Sunday Mirror—printed by Associated Newspapers in Manchester would be published tomorrow. The Daily Record and The Sunday Mail, MGN's Scottish papers, appear to be unaffected.

Talks between Mr Maxwell and the union broke down after 2¼ hours with both sides refusing immediate comment.

Maxwell and Shah vie for the vanguard, Page 5

# Guinness wins Bell Continued from Page 1

to dispel the speculation, but no bid emerged.

Guinness, under the management of Mr Saunders, who came from Nestlè in 1981, has seen its pre-tax profits grow from £43.3m in 1980 to £70.4m in the year to September 30 1984.

A common thread, the importance of strong brand identities, runs through Mr Saunders's identification of four main businesses for the group. They are brewing, with the new Guinness advertising campaign being launched this week, retailing, publishing and health.

Guinness had been looking at Bell for two years before the bid. Among the reasons for Bell's declining market share in the UK have been the growing success of such previously relatively little known brands as Famous Grouse and the rise of cheaper own-label products. It is here that Guinness claims it can use its marketing expertise which has stopped the decline of sales of its own stout.

Mr Saunders, at the time of the bid said: "This is the first step towards the creation of a new worldwide marketing force by uniting two of the world's most potent brand names."

The acceptances announced yesterday after the 3.0 pm deadline include the 13 per cent previously acquired by Guinness on the open market and 5.35 per cent of acceptances acquired after its first offer which was raised to the current one.

The increased Guinness offer was four ordinary shares in Guinness plus either a £2.65 nominal of 8¼ per cent Convertible Unsecured Loan Stock or £2.65 in cash for every five Ordinary shares in Bell.

Guinness said yesterday the increased offer had been declared wholly unconditional and remained open for acceptance until further notice. The revised cash alternative was however closed. The preference share offer had been declared wholly unconditional and remained open for acceptances until further notice.

It is understood that acceptances received yesterday included those from General Accident, the largest shareholder in Bell apart from Guinness.

Guinness's share price closed at 270p last night valuing Bell at 269p. Bell closed at 267p, plus 6p.

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES: | | |
|---|---|---|
| Appledore (A & P) | 318 | + 27 |
| Avana | 587 | + 25 |
| Berisford (S. & W.) | 177 | + 5 |
| Distillers | 313 | + 8 |
| Don Bros. Buist | 225 | + 13 |
| Enterprise Oil | 188 | + 4 |
| Ewart N. Northern | 350 | + 65 |
| Harris (Phillip) | 190 | + 12 |
| Illingworth Morris | 80 | + 5 |
| McAlpine (Alfred) | 250 | + 8 |
| Mackay (Hugh) | 80 | + 12 |
| Sherwood Computer | 188 | + 13 |
| Siebe | 568 | + 23 |
| Thorn EMI | 376 | + 12 |
| Trafford Park Ests. | 225 | + 18 |
| Tricentrol | 193 | + 8 |
| Ultramar | 230 | + 5 |
| Vosper | 237 | + 15 |
| **FALLS:** | | |
| Allied-Lyons | 226 | − 5 |
| Allied Textile | 413 | − 42 |
| ACM | 91 | − 8 |
| British Aerospace | 363 | − 10 |
| Carr Boyd Minerals | 88½ | − 7 |
| Clay (Richard) | 138 | − 10 |
| Wood (Arthur) | 68 | − 10 |

## WORLDWIDE WEATHER

UK today: Showers and sunny intervals. Cool and windy generally. Rain clearing in SE and Channel Islands.

| | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | S | 27 | 81 | Corfu | S | 31 | 88 | Luxmbg. | F | 19 | 66 | Peking | R | 25 | 77 |
| Algiers | S | 31 | 88 | Dallas | C | 27 | 81 | Madeira | S | 26 | 79 | Perth | | — | — |
| Amsdm. | F | 18 | 64 | Dublin | R | 13 | 55 | Madrid | | — | — | Prague | F | 23 | 73 |
| Athens | S | 32 | 90 | Dbrvnk. | S | 30 | 86 | Majorca | | — | — | Rykjvk. | F | 13 | 55 |
| Bahrain | S | 39 | 102 | Ednbgh. | R | 14 | 57 | Malaga | | — | — | Rhodes | S | 31 | 88 |
| Barclna. | | — | — | Faro | S | 29 | 84 | Malta | S | 30 | 86 | Rio J'o† | | — | — |
| Beirut | | — | — | Florence | S | 33 | 91 | M'chstr | C | 15 | 59 | Rome | S | 28 | 82 |
| Belfast | C | 15 | 59 | Frankft. | F | 22 | 72 | Melbne. | C | 13 | 55 | Salzbrg. | S | 25 | 77 |
| Belgrd. | S | 32 | 90 | Geneva | S | 25 | 77 | Mx. C.† | | — | — | S'cisco† | C | 13 | 55 |
| Berlin | F | 21 | 70 | Gibltr. | Fg | 23 | 73 | Miami† | S | 26 | 79 | Singapr. | S | 31 | 88 |
| Biarritz | F | 24 | 75 | Gl'sg'w | F | 14 | 57 | Milan | S | 31 | 88 | S'tiago† | | — | — |
| Bmghm. | C | 15 | 59 | G'msey | C | 15 | 51 | Montrl.† | F | 15 | 59 | Stckhm. | F | 13 | 55 |
| Blackpl. | R | 14 | 57 | Helsinki | C | 14 | 57 | Moscow | C | 19 | 66 | Strasbg. | F | 24 | 75 |
| Bombay | F | 27 | 81 | H. Kong | F | 31 | 88 | Munich | F | 24 | 75 | Sydney | F | 20 | 68 |
| Bordx. | C | 23 | 73 | Innsbrk. | S | 25 | 77 | Nairobi | C | 18 | 64 | Tangier | S | 28 | 82 |
| Boulgn. | C | 16 | 61 | Invrnss. | C | 14 | 57 | Naples | S | 31 | 88 | Tel Aviv | S | 36 | 97 |
| Bristol | C | 15 | 61 | I.o.Man | F | 14 | 57 | Nassau | | — | — | Tenerife | | — | — |
| Brussels | F | 19 | 66 | Istanbul | S | 28 | 82 | Nwcstl. | F | 17 | 63 | Tokyo | S | 30 | 86 |
| Budpst. | S | 29 | 84 | Jersey | C | 17 | 63 | N Delhi | S | 31 | 88 | T'r'nto† | C | 14 | 57 |
| Cairo | S | 38 | 100 | Jo'burg | S | 22 | 72 | N York† | S | 19 | 66 | Tunis | S | 33 | 91 |
| Cardiff | C | 15 | 59 | L. Plms. | | — | — | Nice | S | 27 | 81 | Valencia | | — | — |
| Cape T. | F | 15 | 59 | Lisbon | S | 24 | 75 | Nicosia | S | 34 | 93 | Venice | S | 32 | 90 |
| Chicg.† | F | 17 | 63 | Locarno | S | 26 | 79 | Oporto | F | 21 | 70 | Vienna | F | 23 | 73 |
| Cologne | C | 18 | 64 | London | F | 17 | 63 | Oslo | F | 19 | 66 | Warsaw | F | 21 | 70 |
| Cpnhgn. | F | 17 | 63 | L. Ang.† | C | 18 | 64 | Paris | F | 20 | 68 | Zurich | S | 23 | 73 |

C—Cloudy, F—Fair, Fg—Fog, R—Rain, S—Sunny, † Noon GMT temperatures.

# DTI starts investigation of Milbury property group

BY DAVID GOODHART

THE Trade and Industry Department has begun a formal investigation of the affairs of Milbury, the troubled building and property company, after a minority shareholder's application for an inquiry was granted by a High Court judge yesterday.

The investigation will again focus City attention on Mr Jim Raper, a financier, who was at loggerheads with the Stock Exchange and Takeover Panel between 1979 and 1983 and who in 1980 was described by the panel as unfit to be a director of a public company.

Mr Raper's return to favour, and a Stock Exchange listing in 1983, was hailed at the time as proof of the efficacy of self-regulation in the City.

The minority shareholder is Mr Christopher Whitmey, a management consultant from Hereford.

He alleged that Mr Raper removed the two most valuable parts of Milbury — the Westminster Property Group and Milbury Homes (South) — before disposing of his 78.7 per cent share, held through the private company St Piran, to Poco Properties for £1. This 78.7 per cent stake was worth £9.7m, according to Milbury's 1984 accounts.

Mr Whitmey told the court he believed Westminster and Milbury Homes (South) had been transferred to St Piran and then on to a vehicle company belonging to Mr Raper in the Netherlands Antillas.

He said the method of transfer was in accordance neither with the Companies Act 1985 nor Milbury's listing agreement with the Stock Exchange.

Mr Justice Scott said the circumstances of the sale of the St Piran stake in Milbury to Poco for £1 were, to put it at its most neutral, unclear. Poco had been led to understand there would be very little in the way of assets to be found in Milbury when it took control.

After the hearing, Mr Whitmey said he feared this might be another hollow moral victory over Mr Raper.

Milbury, the shares of which were suspended at 18p on Tuesday, made a pre-tax profit of just more than £2m on £25.7m turnover to the end of March last year. Its share price collapsed, from a 92p high in July, when Mr Raper failed to sell Milbury Homes (North), which was facing liquidity problems.

# Bond nears victory in A$1.2bn bid to control Castlemaine

By Lachlan Drummond

BOND CORPORATION of Perth is close to winning control of Castlemaine Tooheys after securing the recently increased 25 per cent stake held by Allied-Lyons, the British food and drinks group, with a revised offer valuing the Queensland and New South Wales brewer at A$1.2bn (£631.5m).

Bond, which will borrow A$1bn for the bid, now has about 44 per cent of Castlemaine, and would seem poised to set a record for an Australian takeover.

Allied's acceptance represents a severe reverse for the Castlemaine board, which announced on Thursday that it was holding talks with another company.

Sir Derrick Holden-Brown, Allied chairman, said the prospect of a rival offer was "too remote a possibility and too far away and required foreign investment approval." This had contributed, with the higher price, to the decision to accept the Bond offer.

"We have consulted Castlemaine all the time. Although there is some conflict of interest, we have consulted at every twist and turn," he said. But ultimately "it was our judgment that it was in the best interests of all shareholders."

Sir Derrick said Allied would have been happy to continue indefinitely with its 24.9 per cent stake in Castlemaine but had no option when the bid was considered on its merits. He said the cash, some £150m, would be used in the first instance to reduce borrowings. However, there was widespread speculation in the City yesterday that it could fuel Allied's search for acquisitions.

Allied holds a licence from Castlemaine to market and brew its lager, Castlemaine XXXX, a drink which has helped Allied boost its share of the UK lager market. Sir Derrick said this was a "watertight, commercial agreement" and would continue, as would the trading arrangements concerning Britvic, Allied's soft drinks business in which Castlemaine has a 50 per cent stake. "We look forward to developing these in co-operation with Bond Corporation," said Sir Derrick.

Mr Lloyd Zampatti, Castlemaine chief executive and managing director of Swan brewery until it was taken over by Bond in 1982, was not available for comment. The company said directors would consider the amended Bond offer when the outcome of the discussions with the other company was known.

Joining Swan in Western Australia with Castlemaine XXXX in Queensland and Tooheys in NSW, Bond will rank almost equal on national market share with the 45 per cent held by the Elders-IXL group's Carlton and United. Combined Bond beer sales would be about A$1.3bn a year.

Mr Alan Bond, Bond Corporation chairman, said he viewed the investment on a medium to long scale, and saw it providing reliable earnings to back the group's more adventurous activities. The first years would be devoted to reducing the takeover debt, using excess cash flows and surplus assets.

"All the other companies in Australia can relax. We think we've got our hands full for a while," Mr Bond said.

The debt will come from Hong Kong and Shanghai Bank, its Wardley Australia offshoot, Bank of Tokyo's Australian arm, Standard Chartered and the State Bank of NSW.

Continued from Page 1

# Air

Two of the 15 people in hospital after the accident were transferred to a special burns unit yesterday.

Mr John Hughes, 34, of Haydock, Merseyside, who is critically ill, and John Lawrence, aged 13, of Sheffield, whose condition is stable, were transferred from Wythenshawe Hospital to Withington Hospital.

Four patients still in Wythenshawe's intensive care unit were described as "poorly but comfortable."

Two patients moved out of the intensive care unit into general wards were said to be stable and the remaining seven, improving. One is Mr Hughes's wife, Carol.

Mr John Evans, a Wythenshawe consultant, said of Mr Hughes and John Lawrence: "Their first treatment was a life-saving treatment, and after 24 hours, when they had stabilised, the plastic surgeons thought it appropriate to take them over to Withington so that they can treat them by appropriate plastic surgery as and when it is required."

Other patients are suffering mainly from smoke inhalation. Many also had mild conjunctivitis.

THE LEX COLUMN

# For whom the Bell tolls

Guinness has won Arthur Bell by what looks the most comfortable of margins. The likelihood must be that by yesterday's closing Guinness had either bought or gained acceptances for roughly 70 per cent of Bell's equity. Given the traditions of Scottish loyalty and Bell's strong 10-year record, that is a remarkable result. Even if all the Scottish institutions had stood behind the Bell management—and they evidently did not—Guinness might still have won the day. And there must be at least a 50-50 chance that Guinness would have carried off the prize on its original terms.

The next few months will not be easy for Guinness. While it has been careful not to say anything which deprecates the Bell's brand, the onslaught of the past 10 weeks cannot have done much for the product's image. And the task of integrating Bell will be more than usually difficult. For all its problems over the past three years, Bell is a tightly managed and distinctive company which will not fit comfortably into the Guinness mould.

The earnings dilution created by the bid should not be too troublesome, particularly as Guinness has ample scope to take advantage of tax efficiencies and to raise cash through disposals. Canning Town, for example, would make an interesting fit with Rockware, while Ladbroke has already signalled a strong interest in the hotels. The test of whether Guinness can justify the price it has paid will come across the Atlantic. Turning Bell's into a leading brand in the U.S. looks a daunting enterprise.

It is always regrettable to see a company in a sector of the market as scarcely populated as distilleries disappear from view and never more so than when the company being swallowed up has been efficiently run. If Mr Raymond Miquel had taken over at Distillers rather than Arthur Bell a decade ago the Scotch whisky industry might now be in a healthier state.

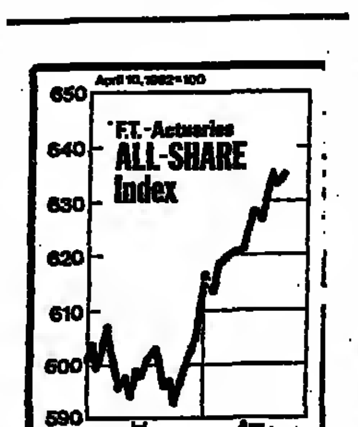
## Summer holidays

Rain, rain, go to Spain—or if it doesn't, go yourself. The surge in holidays booked late could well continue to the end of September and suggests that the tour market (which is not fully represented by the figures from travel agents) could be no lower in volume terms this year than last.

This is not much help to the mass-market operators such as Horizon, Intasun and Thomson. Forced by poor demand to reverse their attempt to repair margins through price rises, they are now taking on extra capacity at painful rates—and promising yet more cut-throat competition for next year. This summer, the UK public (except, perhaps, those prudent pensioners at Saga) has learned that it is not a very good idea to book early, band over interest income to the operators and miss out on a better deal in August.

It is all very well for the operators to look at the discount on forward pesetas and promise unchanged rates in a bid for volume next summer; but there is still far too much capacity in the airline market which lowers barriers to entry and reduces the benefit of in-house airlines, even in slimmed-down form. What British Airways will do in the tour market once privatised is anybody's guess.

**Index rose 4.2 to 991.4**




## Bond-Castlemaine

Australia's largest and most curious takeover battle seems well on the way to resolution—although anyone reading yesterday's statement from Allied-Lyons might have assumed Castlemaine had already been signed, sealed and delivered to Mr Alan Bond. Allied may claim credit for persuading Bond to raise the bid to A$8.25 per share for Castlemaine, and look forward to marketing Castlemaine lager in the UK as before, but Bond still has well under half of Castlemaine's equity even with the 24.9 per cent Allied stake it has bought.

The Australian authorities have kept studiously to the sidelines so far, but it is hard to imagine them not giving a XXXX for competition in a beer market now controlled as to 90 per cent by two groups—however fragmented the regional markets. Equally, Castlemaine's mysterious third party may yet prove more than a ghost. None the less, Bond is paying a handsome double-figure multiple of Castlemaine's 1985 earnings and A$2.15 per share premium to the price at which the last block of Castlemaine shares were placed with Allied; on these terms, Castlemaine's small shareholders may run for the exit.

This will be of some comfort to the banks financing an operation audacious even by Bond standards: on a base of only A$238m in shareholders' funds, the acquisition will take up the best part of A$1bn over and above the cash in Bond's balance-sheet. Given access to Castlemaine's cash-flow of, say, A$150m this year and a disposal or two, the deal looks manageable; on the basis of only partial control, Bond may be obliged to sell its Swan Brewery to Castlemaine and rely on bullying up dividend payments to pull down its debt.

The real curiosity is the conduct of Elders IXL, the ultimate brewer of Fosters lager, which has bought nearly 5 per cent of Allied. No doubt, Elders was prevented from fishing the muddy waters more directly, but what it hopes to gain from a shareholding costing £4m or so a year to finance without the possibility of influence is anybody's guess. The London market, in shaving 5p off Allied to 226p yesterday, seems to assume the stock will be sold; or perhaps it has less than full confidence in the way Allied deploys its £150m windfall.

## Equities

The equity market is now back within striking distance of the levels reached before the summer collapse and is being driven by almost precisely the factors that pushed it up earlier in the year. Bid speculation is back in fashion and yesterday even such mighty names as Allied-Lyons, Boots and Distillers succumbed to the rumours. The market does not at present seem greatly concerned by the threat of capital calls, although there is no reason to suppose that those companies which deferred rights issues earlier in the summer will not return to the market in the autumn. With the 30-Share Index at its highest level since mid-June, the temptation may simply be too great. The market's response to the next big rights issue may determine whether the current prices are a touch frothy or not.

# WEEKEND FT

Saturday August 24 1985

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# How the Laker ghost was laid

**Skytrain died in 1982 but it has haunted rivals such as British Airways ever since. This week they managed to exorcise it, writes Duncan Campbell-Smith**

BILL PARK had had a busy few months as the top litigation partner at Linklaters and Paines, the blue chip City solicitors. By the end of November 1984, he was looking forward to winding down gently before a Christmas holiday in the Lake District.

A short phone call from a colleague in Linklaters' commercial department put paid to that. The firm had been instructed to write a sale prospectus for the privatisation of British Airways: could Park spare the time to help to iron out a litigation wrinkle threatening to halt the whole job?

He *has* had to spare almost every working minute of the last nine months. The world's favourite airline, it emerged, had spent exactly two years since November 1982 assuming that somehow, someone would extricate it from the morass of legal problems that arose after Laker Airways' collapse in February 1982. Instead, BA had sunk so deep that years of struggle in the U.S. courts looked certain—unless the airline could pull off a private bargain of boggling complexity.

That was Park's brief. It was finally accomplished this week — bar a few remaining formalities — after a clandestine trans-Atlantic legal battle fought with rapier and bludgeon by regiments of lawyers, civil servants, internatonal bankers and accountants.

The first task was to make sure of the disposition of the various forces on both sides. This was largely a formality. The arguments involved had been paraded endlessly in the U.S. (where the Department of Justice had briefly entered the fray) and had been marched through every English court, up to the House of Lords.

The issue at stake had always been clear. Had Laker Airways collapsed through the bungling incompetence of its own management, particularly Sir Freddie Laker? Or had it been bullied into a commercial corner by some of the world's biggest airlines, most notably BA, then strangled in a ruthless conspiracy over the winter months of 1981-1982?

Robert Beckman, a fiery Washington attorney specialising in aviation law, had been a friend of Sir Freddie's since 1968. He had never doubted that dark deeds lay behind the 1982 collapse. On November 10 1982, he had spent a day impressing his views on the partners of Touche, Ross, the London accountants, and above all on Christopher Morris, the shrewd head of its liquidation department, who was responsible for winding up Laker Airways' £300m debts.

The result—a courageous move for Touche Ross—was a whopping *civil* anti-trust suit against the airlines for triple damages of $1.1bn. It was launched by Morris in Washington's District Court. Beckman's law firm agreed to act for Morris in return for 20 per cent of any damages awadred. If the action failed, there would be no fee.

Early in December, a mutual barrister acquaintance set up a delicate meeting between Park and Morris. Yes, the liquidator confirmed, he was still a determined plaintiff. But no, he would not object to Park approaching Laker's various creditors to sound out the chances of an out-of-court settlement. If the creditors could be bought off, Morris would consider dropping his suit.

BA, however, had no intention of seeking any settlement which soured its relations with the rest of the airline industry. The Morris suit cited 12 defendants, including nine other airlines. All would have to agree a settlement—and contribute to its cost.

No-one had any illusions about the premium value of a settlement to BA: without it, the airline might never be sold at all—let alone by St Valentine's Day, 1985, as Lord King, its chairman, hoped. But the other defendants had every reason to welcome a settlement on the right terms. The legal fess, the damaging publicity and the endless uncertainties were taking their toll.

BA's proposed initiative on their joint behalf must have looked heaven-sent. They made it clear there would be no support in public for the Linklaters team, and they stopped well short of any formal commitment, even in private. But at boardroom level, BA got the winks it needed. Park could press ahead.

In the space of a few weeks, over Christmas and the New Year, BA and its lawyers assembled a complete settlement package. Incredibly, the numbers agreed all those months ago were barely to change through the tortuous negotiation that followed.

To each according to his needs might almost have been the principle governing the pay-out arrangements. Ticket-holders, out-of-pocket employees and the like would be repaid in full. Small business creditors would receive enough to draw the sting of having been let down by one of Tory Britain's best-publicised entrepreneurs. And the big boys — the international banks, the government agencies and the aircraft manufacturers — would be offered precisely $250,000 each.

There was just one other category to be paid off, and this was to prove trickiest of all. BA decided there would be no sense in settling the Morris suit only to find fresh conspiracy allegations launched later by Sir Freddie. It therefore determined to include him in the deal — though, technically he was *not* the plaintiff.

This idea went down badly with some co-defendants. Sir Freddie had been telling them for years how to run a successful airline; they had watched him come a spectacular cropper with utmost satisfaction. It was galling to think the man could now be handed millions just to go away. An outrageous rip-off, said the U.S. airlines.

BA stuck to its guns. Some payment would be needed for Sir Freddie, if only to ensure the goodwill of the liquidator as plaintiff. It was decided to offer Sir Freddie $8m. The same amount would be paid to Beckman, to provide for his fees as counsel to Morris.

Only one task remained before the Linklaters men could produce their formal offer letters. Including a contingency reserve, the settlement added up to somewhere just over $60m. BA had to establish at least a vague commitment on how much each co-defendant would contribute.

There is a kind of freemasonry among the leaders of the world aviation industry. They even have a highly secretive club, the Conquistadores del Cielo. Membership (male only) is restricted to big names in the U.S. but chairmen and chief executives from all over the world are invited as guests when the club meets for social—and ultra-discreet—weekends on a Wyoming ranch.

Lord King and Colin Marshall, BA's highly respected new chief executive, pulled hard on the goodwill built up on earlier visits to the ranch. Long telephone calls from BA's head office explored the reactions of the 11 co-defendants to the figures being put forward by Linklaters.

Digit by digit, the sums were put together. The New Year arrived with a loose deal already in the drawer. It was Park's fall-back position and a closely guarded secret, but it gave BA's lawyers the cards they needed to play their hand. TWA and Pan American Airways would pay $10m each. The seven continental airlines would pay $20m as a group and British Caledonian $5m. BA itself would take the remaining bill, perhaps $15m.

By the time the drawer closed, many of the 59 small creditors had already been approached. Encouraged by generally favourable reactions, Park and an assistant flew to Washington in the first week of January to meet Beckman.


The three men dined together. Beckman, so Linklaters reported later, seemed relieved to hear the terms on offer. He suggested a conference with Sir Freddie at his Key Biscayne home in Florida and it was fixed for the weekend of January 11-12. Park returned to England and the minor creditors were told they had five days to accept their money. BA's directors began to talk as though a deal could be just weeks away.

Park turned up in Florida looking the quintessential English gentleman in blue flannels, sports jacket and tie. He was studiously courteous, with just an occasional flash of the driest humour. He had never met Sir Freddie before. The cautious City lawyer and the hugely engaging, extrovert Sir Freddie hit it off at once. Their friendship was to end in acrimony with a sad letter of severance from Park. But they began as they were to continue for months—as a celebrated double act, relieving the tedium of the small print squabbles.

Talks included the liquidator and a small army of lawyers — and they went well. "If that's what you want me to take, maybe I'll have to take it," was reportedly the gist of Sir Freddie's response. If so, he changed his tune quickly. Next day, the London Daily Mail carried a different message. "They are trying to make me out to be the bad guy," Sir Freddie was quoted as saying. "As far as I am concerned, the case can go ahead tomorrow."

There was consternation in the co-defendants' camp and genuine confusion about Sir Freddie's real stance. Beckman seemed undecided, though clearly determined to stay loyal to Sir Freddie. Infinitely patient, Park saw no need to fix that position in the immediate future. He had at least three other problems, more central to the Morris suit, and decided to tackle them first. As things turned out, there was even less urgency about Sir Freddie's $8m than Park imagined — it was mid-April before it surfaced again as a critical issue.

First, there were the major creditors whose agreement had to be won: a Who's Who list of international banks deprived by the Laker bankruptcy of loan repayments worth about £264m. The Royal Bank of Canada had the dubious distinction of being the only one to welcome an offer of $250,000.

Park began with those most likely to be sympathetic, hoping their eventual support might help put pressure on the last and toughest names. By the first week of February, just one name remained. It was Park's second main hurdle. Export Import Bank of the U.S., Laker's biggest creditor, was owed more than $70m. Park asked that it consider waiving all this amount — and it refused.

Colin Marshall and Gordon Dunlop, BA's finance director, were both in Switzerland, ski-ing with their families. When Park rang with the news, both executives broke off their holidays and flew to Washington to confront ExIm.

Marshall flew to and fro another four times before the deadlock was broken on March 8. It was hard pounding — and, for once, the lawyers had to take a back seat. ExIm was incensed at the notion of receiving a tiny fraction of the money offered Sir Freddie.

The compromise was clever. ExIm had helped finance BA's purchase of Boeing aircraft early in the 1980s, with soft loans now looking softer than ExIm had intended. Marshall agreed to sharpen their terms, providing the U.S. agency with an extra $12m over nine years. It was not perfect — but at least it was nominally more than Sir Freddie was offered.

Park could now claim to have all the creditors more or less in line. But this, of course, was only *half* the game. Back he went next to the co-defendants to check that they were still standing roughly where he had left them at Christmas. The third hurdle was not unexpected: all the airlines and their legion lawyers had moved their position. Desperate weeks of horsetrading followed, as BA struggled to turn a settlement in principle into a *de facto* deal.

Judge Harold Greene, presiding over the Morris suit, was asked for a grand conference of all the parties in Washington. It was fixed for April 9.

The 29 participants gathered in the court behind Judge Greene's chambers and the nettles were grasped one by one.

Continued on page XII

The Long View

# The rise and fall of the dollar empire

**America's enormous deficit has already turned the nation into a net debtor which is borrowing to postpone the day when it has to start earning its living internationally, says Anthony Harris**

LAST week, I rashly promised to try to guess where the U.S. stands in the historic cycle of economic dominance. This cycle, I would suggest, is more or less unstoppable in a world of many competing currencies; the simple process of accumulating wealth internationally, and the claims that wealth confers, will sooner or later force any currency up to a level that inhibits the wealth-creating process.

In other words, countries, like families, reach a stage where they are more interested in the spending than the getting. This can be prolonged for many decades if net imports are limited to what can be financed out of the income of past investments, but even then nemesis is at work; the technical progress of more dynamic economies will slowly shift the balance to new centres of power.

These wild generalisations seem to apply quite neatly to the U.S., but that is hardly news. The affluent phase, in which foreign earnings are spent on imports, has been evident for *many* years. With one or two high-tech exceptions — such as computers and aircraft, where the U.S. *is* both the biggest market and the leading innovator — American manufacturers have not for a *long* time been dominant in international markets, nor even shown much interest in them.

Meanwhile, imports have more than tripled their share of U.S. consumer spending, and U.S. consumer-goods industries have fallen steadily behind their overseas competitors.

What we are considering, then, is not if the dollar is overvalued; in everyday trading terms it has been overvalued, with one or two brief breaks, for more than a generation. We are looking for the transition from affluences to decadance, where the decay of domestic wealth creation leads to a nation starting to live off its capital.

On the published figures, the question answers itself. The huge American current-account deficit has already, according to the consensus, turned the U.S. into a net debtor, so that there is no more investment income to spend. The U.S. is simply borrowing (mainly from the Japanese, who are great savers) to postpone the day when it has to start earning its living internationally, and supply goods to satisfy foreign claims.

It is possible, of course, that this picture is considerably over-painted; we know that there is something badly wrong with international balance-of-payments statistics which show that the world has a $100bn deficit with itself. The U.S. deficit is probably smaller than we think.

All the same, investors need to know how fast the tide is flowing and not simply if it has turned, for we are dealing here in decades or even centuries. Once investors notice a trend, they nearly always over-dramatise it. The U.S. slide, like the British revival, may be almost glacially slow.

It is worth examining, in this light, the various arguments put forward for dollar gloom. The first is simply the action of the currency market itself; since its peak in February, the dollar has been marked down by a quarter against sterling, and half of that against a weighted average; so the bears argue the turning point we are awaiting has happened already.

This adjustment was not imposed by a change in investor sentiment; it was forced on an initially incredulous market by the U.S. Federal Reserve, which cut interest rates in a declared effort to get the dollar down, backed by central bank market manipulation. A currency which falls by an eighth, and then stabilises under such open official pressure, does not look terminally weak.

Secondly, it is argued that the world will not for *long* be willing to satisfy America's addictive appetite for credit. Again, the figures look highly impressive, although they are probably exaggerated. However, the underlying realities are not quite so alarming. U.S. consumer credit is simply at a pretty normal cyclical peak, while corporate balance sheets are much improved. The Federal Government is the big spender; we will come to that later.

So far as the private sector is concerned, it is deficient saving rather than excessive borrowing that suggests decadence; but a major part of the explanation is much more morally neutral. Tha U.S. has a rapidly-growing retired population. Retired Americans are enviably rich, and high interest rates coupled with large rises on Wall Street have made them feel even richer. It is natural for the old to be dissavers; you can't take it with you.

It is equally natural that the Japanese, whose retired population is not only proportionately smaller but proportionately much poorer than their American counterparts are big savers. There is no sign at the moment that their appetite for U.S. assets is sated; it is only as affluent Japanese workers become affluent Japanese retired that this flow will be choked off.

We are left, then, to worry—as the Fed's chief, Paul Volcker, does—about the U.S. Government deficit and the corresponding trade deficit as the likeliest sources of a short-term crisis. What is more, they are linked; effective action to reduce Federal borrowing would also reduce the trade deficit, and a rise in U.S. exports would help to reduce the Federal deficit.

The bad news, of course, is that the President and Congress have yet again failed to agree on any effective action to reduce the deficit. The good news is comparatively trivial. There could be some stimulation of European demand for electoral reasons, to the benefit of all other trading nations; and U.S. farm exports should get some benefit from the frightful summer wa have had in Europe.

However, the fact that the U.S. seems at the moment unlikely to do what is morally right, and set its Federal house in order, does not mean it will do nothing at all. The bad news for world trade, but potentially good news for tha dollar, is that there is an immoral way out: an import surcharge.

Such a surcharge would attack both problems at once: it would come mainly out of the huge profit margins which exporters to the U.S. enjoy at present, and would thus reduce the trade deficit and the Government deficit without noticeable inconveniencing American consumers. It would also support the dollar.

Of course, such a move would be denounced, as it was when President Nixon did it in 1971, or when we in Britain did it in 1932; but the short-term rewards may well look worth the price. Investors must be realists, not moralists.

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· MARKETS ·

# Perverse equities could be running out of steam

THERE IS still another 1 per cent or so to go but to all intents and purposes the equity market has rebounded back to its peak level. Yet perversely the background now appears less encouraging than it did at the beginning of the summer when the All-Share was last around 640.

The strength of aterling over the last couple of months has made a big difference to the numbers that the analysts are predicting for corporate profits growth. Typical forecasts suggest profits might rise by around 12 per cent in 1985—some predictions are precariously close to slipping into single numbers—against forecasts of 15 and 16 per cent mooted just a couple of months ago.

Some major groups such aa Unilever, ICI and Shell have already disappointed the City with their results and undoubtedy there are more to come. The weaker numbers and the analysts' downgrading of forecasts cannot be entirely blamed on the pound, high interest rates play their part and perhaps the City was simply too nptimistic earlier in the year. But the end result is a bull market running out of steam with an income return of 4¼ per cent—on the All-Share—which is about as low as it can sensibly get.

The counter to this rather pessimistic picture is the thought that if interest rates can get down below 10 per cent by tha year end aod inflation is held in check, this will be good news for gilts and equities could be pullad along in their wake.

Yet by the end of the year the market may well ba concentrating on Westminster. If Mrs Thatcher is thinking of going to the country in 1987 then Mr Lawson's Budget next Easter will be aimed at winning a few votes—the varied implications of that could keep the market collectively scrstching its bead.

Tbat may be too far away to worry about as yet. What will move the market in the next few months is the strength, or otherwise, of the pound. Sterling would not have to move mnch above $1.40 before equity investors get unnerved and even if it bolds around today's level equities are unlikely to move much further ahead.

Ever since Hanson raised £519m in July with a rights issue, the market bas been trying to guess the group's next takeover target. Sir Gordon White, Hanson's right-hand man in the U.S. pinpointed his side of the Atlantic as the real bunting ground but there were still thosa in London who believed Hanson to be more interested in the UK.

So the news that Hanson has launched a $745m (£535m) bid for SCM Corporation immediately prompted red numbers on the London trading floor against some of the favourite potential targets such as Reed and Bowater.

SCM is best known for its Smith-Corona typewriter business but it is in fact a broad-based conglomerate with interests in chemicals, paints and foods. There are some 20 main businesses straddling 70 plants around the world which laet year turned in net income of $41.8m on sales of $2.2bn.

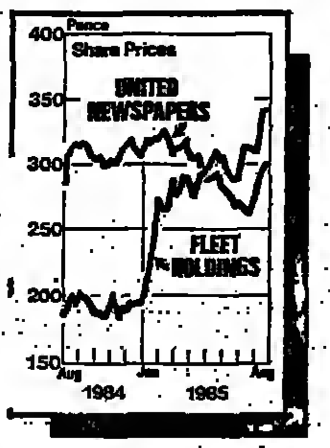
During the 1960s SCM was regarded aa one of Wall Street'e glamour stocks, but it, like many highly regarded group of the sixties, has now

## London

become little more than a second rate industrial conglomerate in the eyes of the investing public — ideal meat for a Hanson takeover. And yet the Britisb aggressor has a figbt on its bands. SCM saw off more than one predator five years ago aod it is a better business today than it was then according to Wall Street analysts.

Certainly the reaction has been to lift SCM's share price beyond the reacb of Hanson's $60 a ebare tender offer. Yet Hanson can afford to raise its bld — perhaps by as much aa a third if it thougbt SCM worth it — without stretching the group balaoce sbeet.

No doubt as Hanson does ita sums it is writing back the proceeds from disposing of SCM's activities which do not fall into line with the group's view of eupplying basic buman needs.




High on that list is bound to be the loss-making Smith-Corona, while titanium dioxide sounds far too high-tech for Hanson'a taste. Disposing of those two divisions alone might inject $400m or more.

Assuming the UK group is successful there would be pleoty of scope to pusb SCM's return on capital employed from last year's 10 per cent towards the 20 per cent or more than Hanson expects from its operating subsidiaries... And should the eventual purcbase price come out anything close to the cnrrent offer, Hanson will have made a very good buy indeed.

Having reported interim figures on Wednesday Michael Ashcroft's Hawley Group took a further step towards tidying up its structure with a bid tn buy out the quoted minority in Kean and Scott, its bome improvement subsidiary.

Neither the interim figures, which sbowed a 10 per cent rise to £13.12m pre-tax after the dismal Kean and Scott results, nor the one for two equity swop offered to K and S shareboldars the next day surprised the market. Over the past year Hawley bas been purchasing mioority interests in quoted subsidiaries while pushing peripheral activities into tha 36 per cent qwned Midepsa business.

Sucb activity is designed to improve the group's standing although the shares have underperformed the market by almost 25 per cent over the last year and the prospective earnings multiple—assuming profits of £37m for tha year—is little more than 5 after low Bermudan taxes. On the face of it the rating looks ludicrously low, though it takes more than buying out minorities to polish a City image.

As the Guinness/Bell battle drew to a close the market has been offered the prospect of another equally acrimonious takeover bld. This week tha Monopolies Commission flashed a green light for a United Newspapers bid for Fleet Holdings, the Express newspaper group.

The decision did not really surprise anyone in the City. The reference was automatic but the merging of a large provincial paper group with modest magazine interests beaded by Punch with a natioual newspaper proprietor with large magazine interests through Morgan Grampian, does not obviously work against the public interest, no matter what Fleet'e management may have to say on the subject.

The decision, however, throws forward all sorts of complicated possibilities. Despite United'a aggression and the fact that it already has just over 20 per cent of Fleet while Montagu Investment Management—which for ease of debate can be assumed to be working with United—bolds a further 3.5 per cent, the provincial group's market capitalisation trails Fleet'e by about a third.

On ao ongoing basis Fleet is fairly priced aronnd 340p bearing in mind that its bolding in Reuters is worth 125p per share. Though on a break-up value Fleet could easily argue that its true worth is somewbere between 400p and 500p a ehare. Tbe market already believes that could be fair price whicb leaves United with a long way to run to put a credible offer on the table.

If United bids before September 4 a cash alternative of not less than 270.3p a share must be made and after that it has up to the 11th to make its move. So, faced with a very tight time frame, it may be tempted to bring a third party in on the action—and that provides some interesting possibilities. Though as it stands anything more than 460p a share looks too rich for United's blood, so there is an outside possibility that the opportunity will be allowed to slip pass.

**Terry Garrett**

## HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on week | 1985 High | 1985 Low | |
|---|---|---|---|---|---|
| F.T. Ord. Index | 991.4 | +16.7 | 1,024.5 | 911.0 | Interest rate optimism/stock shortage |
| Allied Textile | 413 | +43 | 520 | 279 | Bid speculation |
| Amstrad | 96 | +14 | 98 | 64 | New computer launch |
| Bejam | 183 | +16 | 186 | 139 | Bid speculation |
| Canning (W.) | 98 | +15 | 107 | 79 | U.S. expansion moves |
| Clay (Richard) | 138 | −19 | 160 | 93 | McCorqnedala bid referred |
| Distillers | 313 | +21 | 321 | 270 | Bid speculation |
| Fleet Hldgs. | 338 | +28 | 345 | 183 | Utd. News. gets Monopolies clearance |
| Hickson Intl. | 363 | −32 | 488 | 357 | Disappointing half-year results |
| Horizon Travel | 106 | −19 | 148 | 95 | Operating losses |
| Intl. Signal & Control | 292 | +32 | 325 | 245 | Brokers' lunch |
| Logica | 190 | +40 | 395 | 100 | U.S. bid bopes |
| McAlpina (Alfred) | 250 | −22 | 296 | 232 | Poor interim results |
| Sharpe (Charles) | 545 | +150 | 545 | 208 | Agreed bid from Booker McConnell |
| Simon Engineering | 236 | +18 | 260 | 206 | Broker's circular |
| Steel Burrill Jones | 415 | +53 | 415 | 288 | Interim results dne soon |
| TI | 368 | −29 | 408 | 214 | Absence of rumoured bid |
| Telfos | 76 | +14 | 78 | 54 | Interim results and proposed scrip |
| Ultramar | 220 | +20 | 250 | 190 | Takeover speculation |
| Vosper | 287 | +68 | 310 | 142 | Compensation bopes/int. dne mid-Sept. |

# Airship is poised to float again

WHEN Airship Industries, tha makers of lighter-than-air craft withdrew from the USM last year, the market was relieved of one of its most catastrophic investments. Less than a year later, the company is poised to come floating back.

In the next few days, Jacksons, an Australian stockbroking firm, will have completed a £5m private placing of shares; and, by the end of the year, Airship expects to be reinstatad nn the USM.

Investors who bought the shares first time round at 140p, only to sell out the following year at 1p to Australian entrepreneur Alan Bood, may view the news with a mixture of horror and disbelief. But Jacksons claims that it is baving no trouble in placing the stock; and many of the UK institutions who went into the initial venture in 1979, and faithfully put up more cash when the company retuned year after year asking for more, are willing to give Airsbip another chance.

"We've thrown a lot of money in there. We'll keep our faith if the other investors keep theirs," says Peter Bowen from Legal and General.

If one could abstract from the company's past—which was a chain of unfulfilled promises and demands for cash and a continuous under-estimation of costs, compounded by an inability to get a certificate of airworthiness and a resulting failure to sell any airships at commercial prices—then the present outlook (dare one say it) looks promising.

Tbe most important departure is a change of management. Airship is returning under the strong leadership of Alan Birchmore, who was brought in by Bood as managing director in January this year.

The company now has a certificate of airworthiness for its smaller airship, so it can carry fee-paying passengers. It has also sold three of its larger craft and is leasing out the smaller ones to carry advertising.

Last financial year, Airship made profits of £50,000 after losses nf £5m the previous year, and for the first time its cash flow is positive.

For the present year, Jacksons is bravely forecasting profits of £6m, which would imply that the shares at the 25p placing price are on a prospective price/earnings multiple of 7. The estimate ia based on firm orders alone, which should generate about £9m, and assume a further 3m income from leases.

Meanwhile, the company's balance sheet is laden with debt. Borrowings of more than £10m dwarf £6.5m of share-

## USM
UNLISTED SECURITIES MARKET

holders' funds; and even after the injection of new money, the ratio will be about one to one —uncomfortably higb for a company whose assets consist primarily of airships in various stages of constructian. However, a couple of years of profits of the sort that Jacksons predicts would rapidly bring borrowings down and eat into the £13m reserve of accumulated losses.

The risks still are huge, but this time the company appears to have its strategy worked out clearly. The first plank is to build up a dependable revenue stream from leasing the airships for advertising. Customers so far have included Swan lager (itself a part of the Bond Corporation), Fuji Film and Pan Am.

By the end of the year Airship should have perfected its "night sign"—an electronic display board that can be attacbed tn the craft to turn it into a Piccadilly Circus of the sky. This is expected to double advertising revenue without having much effect on costs. But as Birchmore readily admits, there is a limit to the number of advertising airshipa that the skies can accommodate, a limit the company could reach within three years.

The real potential for Airship lies in the defence markets. Although the company has completed one sale to a U.S. casino operator, wbich plans to use it to ferry gambling customers from New York to Atlantic City, such deals are likely to be few and far between.

The airship is ideal for marine surveillance, as it can hover abova the coast (covering np to 30,000 square miles in 24 bours) at a fraction of the cost of patrol by ship or belicopter. A trial has just been completed for the French navy, and one is about to start for the U.S. coastguard. While Birchmore is too cautious to start predicting any major orders as yet, he is feeling optimistic. "When you do an expensive trial which is a success, you are in a good position to do some excellent business," be says. "The mere fact of concluding a trial to the U.S. Coastguard will produce a report four incbes thick which we can dump on the desk of any coastguard in the world."

Perhaps the most exciting opportunity for Airship is a contract signed this month with the U.S. Navy to design a large airship to carry radars for protecting air, surface and submarine targets. Airship, which has teamed up with Westinghouse, is in competition with Goodyear and Boeing. Two of the three competitors will be invited to build their prototypes and, by 1989, one of the companies will land the business.

Airship has a head start. The company estimates it has a two-year technological lead on the others as Boeing was not previously making any airships and Goodyear, hitherto the only competition, has concentrated solely on the World War II model, which bas been used exclusively for the company's own advertising message.

The rewards are phenomenally large: the U.S. government is expected to spend $4bn on the project. "But if we got $1bn, I think that would be enough, wouldn't you?" says Birchmore.

**Lucy Kellaway**

# Falling oil prices hit BP's gains

AFTER A bumper first quarter, British Petroleum looks like settling down to far more modest gains for the rest of 1985. On Thursday, the City is expecting to see net income for the second quarter nf £325m to £350m, against £326m, compared with a first-quarter leap to £515m from £342m.

Much of this anticipated difference in quarterly performance is likely to be accounted for by falling oil prices, compounded by the weakness of the dollar against sterling. These movements will severely limit gains in upstream operations despite increases in oil and gas production, notably in Alaska and Indonesia. Downstream, the effect of cheaper oil prices should be broadly positive by raising margins.

Worldwide demand, although not growing as strongly as last year, has been reasonable; and in the UK one result of the end of the miners' strike should be that the company has produced less beavy fuel oil than last year and more higher-margin products. Investors can look forward to a dividend increase of 10 per cent or so to 11p.

Whether Asda'a results are at the top or bottom end of the £115 to £120m range of City forecasts does not matter much. Since the year end, Asda has merged with MFI to create a stronger and larger retailing group. Consequeotly, analysts are more anxious to hear what the management has to say about plans for the future of the group than to pick over last year's figures.

But, for what it is worth, the second half of the year is likely to have been hit harder than the first by the miners strike; with one-quarter of its stores in areas directly affected, the company might have been losing up to £1m a week in sales.

## Results due next week

On the furniture side the sale of Wades, which was loss-making in the first six months, will have belped; while Allied Carpets, which moves from strength to strength, is expected to contribute at least £6m pre-tax, compared with £3.6m last time.

There are as many different forecasts for Blue Circle Iodustries' results in the half-year tn June as there are analysts of the sector. This is because Blue Circle South Africa has been transformed from a subsidiary to an associate of the company, and no one seems quite sure bow it will be treated in the figures.

On the underlying trading position, UK earnings were hit by bad winter weather. The coal strike continued to affect manufacturing costs for much of the period, and the freeze on cement prices lasted until June 1.

Overseas, the South African contribution is likely to have been tiny, not just because of the disruption there but because high interest rates hsve brought building to a standstill. Malaysia and Singapore also are poor because of flat markets and competition from imports. Mexico's contribution, bowever, is likely toshow a strong surge in spite of the devaluation of the peso; and growth in the U.S. and Australia will be only partly mitigated by currency transaction.

Overall, the likelibood appears to be one of little change from the previous year'a £47.6m on whatever comparable basis is chosen.

Taylor Woodrow is also likely to have something to say about the British weather when it reports on Tuesday about its six months to June. Although Dick Puttick, then the chairman, said at the time of the group's highly unpopular rights issue in June that its total order book was 25 per cent ahead, UK contracting will have done well to advance significantly in view of conditions at the beginning of the year.

Overseas activities are expected tn be broadly ahead in spite of disadvantageous exchange rates. Housing activities in the U.S., in particular, should have progressed and there are no signs of a fall-off in Middle East earnings, which lest year accounted for 25 per centof group profits. Overall, the City is expecting something between £14m and £15m against £13.1m last time, with a figure at the lower end of the scale looking more likely.

The first balf at Ladbroke Group will depend on how much of the £7.5m Manhattan Tower proceeds it decides to include in the interim figures, due on Thursday, but it will certainly be an impressive advance on last year'e £14.2m pre-tax.

After a run of bad lnck in the racing division last year, Ladbroke has got back into winning ways, and margins on bookmaking were higher in the half.

Hotels will benefit from the tourist boom in London, but a lot of money will have been spent on upgrading, especially on the newly-acquired Comfort chain, which conld make perhaps £1-2m. Laskys, in the red last time, will do well to break even within the melange that has become the entertainments divisionfl Expect around £23m, but Manhatten could lift it as high as £26m.

**Frank Kane**
**Lucy Kellaway**
**Richard Tomkins**
**Stefan Wagstyl**

| Company | Announcement due | Dividend (p)* Last year Int. | Last year Final | This year Int. |
|---|---|---|---|---|
| FINAL DIVIDENDS | | | | |
| Associated Dairies | Thursday | 1.04167 | 1.45833 | 1.15 |
| Consd. Plantations Berhad | Friday† | 2.0 | 12.0 | 2.0 |
| CVD Incorporated | Tuesday | — | — | — |
| Flogas | Tuesday | 0.88 | 1.32 | 1.05 |
| Kennedy Smale | Wednesday | — | — | — |
| Murray Income Trust | Tuesday | 1.2 | 2.3 | 1.7 |
| Samuelson Group | Tuesday | 6.0 | 6.65 | 2.5 |
| Worthington, A. J. | Tuesday | — | — | — |
| INTERIM DIVIDENDS | | | | |
| AMEC | Wednesday | 4.0 | — | |
| American Trust | Tuesday | 1.05 | 1.85 | |
| Anglo American Industrial Corpn. | Tuesday‡ | 55.0 | 125.0 | |
| Babcock International | Wednesday | 3.7 | 4.3 | |
| Blue Circle Industries | Thursday | 6.0 | 14.0 | |
| British Petroleum | Thursday | 10.0 | 20.0 | |
| Cambridge Electronics Industries | Thursday | 2.07 | 4.93 | |
| Cattle's (Holdings) | Thursday | 0.6 | 0.9 | |
| Church and Co. | Friday | 1.5 | 6.0 | |
| Dewhirst, J. J. | Wednesday | 0.24167 | 0.675 | |
| Oufay Bitumastic | Tuesday | 1.0 | 0.8 | |
| Ex-Lands | Thursday | — | 0.6 | |
| First Scottish American Trust | Tuesday | 2.0 | 4.75 | |
| Gold and Base Metal Mines | Thursday | — | — | |
| Goode Durrant and Murray Group | Wednesday | — | 1.25 | |
| Hongkong & Shanghai Banking Corpn. | Tuesday† | 0.13636 | 0.28182 | |
| Ladbroke Group | Thursday | 4.477 | 5.523 | |
| Lec Refrigeration | Thursday | 4.0 | 3.5 | |
| Ley's Foundries and Engineering | Thursday | — | — | |
| Marley | Wednesday | 1.4 | 2.35 | |
| Microvitec | Wednesday | — | 0.75 | |
| Molynx Holdings | Friday | — | 1.0 | |
| Murray International Trust | Wednesday | 0.7 | 3.1 | |
| Nell James Holdings | Thursday | 1.5 | 3.25 | |
| Palma Group | Tuesday | 0.75 | 1.25 | |
| Pentland Industries | Wednesday | 0.166667 | 0.7 | |
| President Entertainments | Thursday | — | 0.1 | |
| Refuge Group | Thursday | — | 7.75 | |
| Richards (Leicester) | Tuesday | — | — | |
| Robinson, Thomas | Thursday | — | — | |
| Scottish Agricultural Industries | Thursday | 5.5 | 12.0 | |
| Slough Estates | Wednesday | 1.8 | 3.0 | |
| Stanley, A. G. | Wednesday | 1.0 | 1.5 | |
| Stat-Plus Group | Thursday | 0.5 | 1.5 | |
| Taylor Woodrow | Tuesday | 4.0 | 11.0 | |
| Ward Holdings | Thursday | 1.6 | 5.0 | |
| Weir Group | Tuesday | 0.375 | 2.125 | |
| Williams Holdings | Thursday | — | — | |

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Sen per share. ‡ Cents per share.

## INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

| | Quoted rate % | Compounded return for taxpayers at 30% | 45% | 60% | Frequency of payment | Tax (See notes) | Amount invested £ | Withdrawals (days) |
|---|---|---|---|---|---|---|---|---|
| **CLEARING BANK*** | | | | | | | | |
| Deposit account | 6.00 | 6.09 | 4.79 | 3.48 | half yearly | 1 | — | 0-7 |
| High interest cheque | 8.69 | 8.98 | 7.05 | 5.13 | quarterly | 1 | 2,500 minimum | 0 |
| 3-month term | 7.63 | 7.85 | 6.16 | 4.48 | quarterly | 1 | 2,500-25,000 | 90 |
| **BUILDING SOCIETY†** | | | | | | | | |
| Ordinary share | 7.00 | 7.12 | 5.60 | 4.07 | half yearly | 1 | 1-250,000 | 0 |
| High interest access | 8.75 | 8.75 | 6.88 | 5.00 | yearly | 1 | 500 minimum | 0 |
| 90 day | 9.50 | 9.73 | 7.64 | 5.56 | half yearly | 1 | 500 minimum | 90 |
| Premium | 9.40 | 9.74 | 7.65 | 5.56 | quarterly | 1 | 10,000 minimum | 90 |
| **NATIONAL SAVINGS** | | | | | | | | |
| Investment account | 12.75 | 8.93 | 7.01 | 5.10 | yearly | 2 | 5-50,000 | 30 |
| Income bonds | 13.25 | 9.86 | 7.75 | 5.63 | monthly | 2 | 2,000-50,000 | 90 |
| 30th issue‡ | 8.85 | 8.85 | 8.85 | 8.85 | not applicable | 3 | 25-5,000 | 8 |
| Yearly plan | 9.28 | 9.28 | 9.28 | 9.28 | not applicable | 3 | 20-200/month | 14 |
| General extension | 9.51 | 9.51 | 9.51 | 9.51 | yearly | 3 | — | 8 |
| **MONEY MARKET ACCOUNTS** | | | | | | | | |
| Money Market Trust | 8.62 | 8.81 | 6.92 | 5.03 | half yearly | 1 | 2,500 minimum | 7 |
| Schroder Wagg | 8.40 | 8.73 | 6.86 | 4.99 | monthly | 1 | 2,500 minimum | 0 |
| Provincial Trust | 8.60 | 8.95 | 7.03 | 5.11 | monthly | 1 | 1,000 minimum | 0 |
| **BRITISH GOVERNMENT STOCKS§** | | | | | | | | |
| 10% Treasury 1987 | 10.56 | 7.17 | 5.49 | 3.81 | half yearly | 4 | — | 0 |
| 11% Exchequer 1990 | 10.52 | 7.22 | 5.57 | 3.93 | half yearly | 4 | — | 0 |
| 10.25% Exchequer 1995 | 10.70 | 7.53 | 5.95 | 4.36 | half yearly | 4 | — | 0 |
| 3% Treasury 1987 | 8.60 | 7.57 | 7.06 | 6.55 | half yearly | 4 | — | 0 |
| 3% Treasury 1989 | 8.64 | 7.51 | 6.95 | 8.39 | half yearly | 4 | — | 0 |
| Index-linked 1988¶ | 9.60 | 8.88 | 8.51 | 8.15 | half yearly | 2/4 | — | 0 |

* Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 5 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

## COMPANY NEWS SUMMARY

### TAKE-OVER BIDS AND DEALS

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder |
|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | |
| Adams & Gibbon | 310§§ | 300 | 236 | 5.58 | BSG Intl |
| Applied Botanics¶ | 1½§§ | 1½ | 4½ | 0.74 | REA Hldgs |
| Bell (Arthur)¶ | 269 | 267 | 192 | 355.75 | Guinness |
| Capital Gearg Tst | 85† | 89 | 75 | 1.90 | Harvard Secs |
| Cartwright R.¶ | 177§§ | 164 | 163 | 11.88 | Newman Tonks |
| Christie-Tyler | 65* | 65 | 49 | 6.25 | Hillsdown Hldgs |
| Cole Group | 200 | 228 | 184 | 6.00 | Hartens Group |
| Debenhams¶ | 337 | 331 | 327 | 472.45 | Burton Group |
| IDC Group¶ | 304§§ | 285 | 186 | 20.57 | Hall (Matthew) |
| Morgan Comms | 135* | 133 | 132 | 9.69 | Reed Intl |
| Noble & Lund | 30* | 31 | 29 | 1.71 | Galgey Tech Inds |
| Nottingham Man | 309 | 308 | 233†† | 240.62 | Vantona Viyella |
| Regentcrest¶ | 27½* | 28½ | 26 | 4.24 | Messrs R. & D. Richardson |
| Resource Tech | 52½* | 52 | 40 | 6.94 | Inspectrate Int SA |
| Saxon Oil | 540* | 545 | 510 | 120.57 | Enterprise Oil |
| Security Centres | 127½§ | 132 | 100 | 20.92 | Automated Security |
| Selincourt¶ | 24¾ | 21½ | 28½ | 12.81 | Stormgard |
| Sharpe (Charles) | 570* | 545 | 395 | 10.26 | Booker McConnell |
| Synterials | 12½ | 10½ | 8 | 23.35 | BBA Group |
| Towngrade Secs | 32½*§ | 34 | 37 | 1.67 | Milbank Dev |
| Vectis Stone Grp | 60* | 57½ | 55 | 8.34 | Bardon Hill |
| York Trailer¶ | 45* | 43 | 32 | 4.96 | Utd Parcels |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already beld. ¶ Unconditional. ** Based on August 23 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. |||| Loan stock. ‡‡ Suspended.

### PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Access Sat | Apr | 1,890 | (1,380) | — | (—) | 3.0 | (—) |
| Beales, John | May | 651 | (609) | 16.8 | (15.8) | 4.0 | (3.65) |
| Dale Electric | Apr | 544 | (2,160) | 3.2 | (14.7) | 4.5 | (4.8) |
| Gelfer, A. & J. | Apr | 1,150 | (1,100) | — | (—) | 5.2 | (4.9) |
| Gibbs Mew | Mar | 289 | (561) | 3.4 | (9.3) | 2.56 | (2.56) |
| Herrburger Br | May | 65 | (181) | — | (—) | — | (1.5) |
| Humb Elec Cont | May | 145 | (81) | 0.8 | (0.5) | 0.1 | (—) |
| Meat Trade Sup | Mar | 285 | (291) | 7.9 | (8.0) | 3.5 | (3.5) |
| Pifco Hldgs | Apr | 1,400 | (1,550) | — | (—) | 5.28 | (5.28) |
| Smith, W. H. | June | 43,050 | (38,400) | 14.8 | (13.3) | 5.0 | (4.2) |
| United Pack | Apr | 1,290 | (1,070) | — | (—) | 3.6 | (3.15) |
| Vibroplant | Mar | 2,510 | (1,860) | 22.8 | (15.2) | 9.0 | (8.0) |
| Wholesale Fit | Apr | 4,920 | (4,950) | 20.0 | (19.1) | 6.7 | (6.0) |

### INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Aspen Comm | June | 440 | (233) | 1.0 | (—) |
| Ayrshire Trim | June | 430 | (301) | — | (—) |
| Bardsey | June | 608L | (77)L | — | (—) |
| Blagden Ind | June | 2,760 | (1,760) | 3.5 | (3.5) |
| Cifer | Apr | 1,710L | (1,000)L | — | (—) |
| Clarke, T. | June | 296 | (268) | 0.7 | (0.7) |
| Dewey Warren | June | 799 | (685) | 2.5 | (2.0) |
| Fife Indmar | June | 173 | (87) | 0.75 | (0.75) |
| Garfunkels | June | 1,200 | (698) | 0.22 | (0.22) |
| Gaskell Broad | June | 587 | (455) | 2.0 | (1.5) |
| Hawley Group | June | 12,120 | (11,100) | 1.75 | (—) |
| Hickson Intl | June | 7,790 | (7,020) | 5.0 | (4.0) |
| Horizon Travel | May | 10,700 | (930)L | 0.88 | (0.88) |
| Horne Bros | Feb | 173L | (519)L | — | (—) |
| Insight Group | June | 1,410 | (1,050) | 0.98 | (0.75) |
| Jackson Exp | June | 1,100L | (108) | — | (—) |
| Kean & Scott | June | 1,250 | (4,130) | 0.67 | (0.67) |
| McAlpine, A. | Apr | 6,800 | (7,370) | 3.8 | (3.5) |
| Mersey Docks | June | 1,410 | (1,230) | — | (—) |
| Metal Bulletin | June | 312 | (499) | 1.5 | (1.25) |
| Miss World | June | 153 | (142) | 1.2 | (1.1) |
| Needlers | June | 178 | (211) | — | (—) |
| Nichols, J. N. | June | 3,170 | (2,330) | 2.75 | (2.5) |
| Olives Paper | June | 16L | (88)L | — | (—) |
| Pearl Assurance | June | 6,020L | (280)L | 15.25 | (13.75) |
| Plasmec | June | 40L | (195) | 1.0 | (—) |
| Queens Moat | July | 4,050 | (2,780) | 0.77 | (0.67) |
| Rentokil | June | 12,040 | (11,260) | 0.89 | (0.78) |
| Rock | June | 95 | (23) | — | (—) |
| Stand Chart Bank | June | 133,800 | (94,200) | 10.5 | (9.5) |
| Supra | May | 489 | (357) | 0.8 | (0.73) |
| Telfos Hldgs | June | 508 | (252) | 1.4 | (1.05) |
| Tilley Intl | Mar | 4 | (1) | — | (—) |
| Wagon Finance | June | 1,420 | (1,360) | 1.0 | (0.88) |

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. L Loss.

### RIGHTS ISSUES

City Site Estates—To raise £2.25m through a rights issue on the basis of ooe new ordinary share for every two ordinary shares held or two new ordinary shares for every five preference shares held. Price is 85p.

Greenwich Resources—To raise £4.5m through a three for five rights issue at 62p.

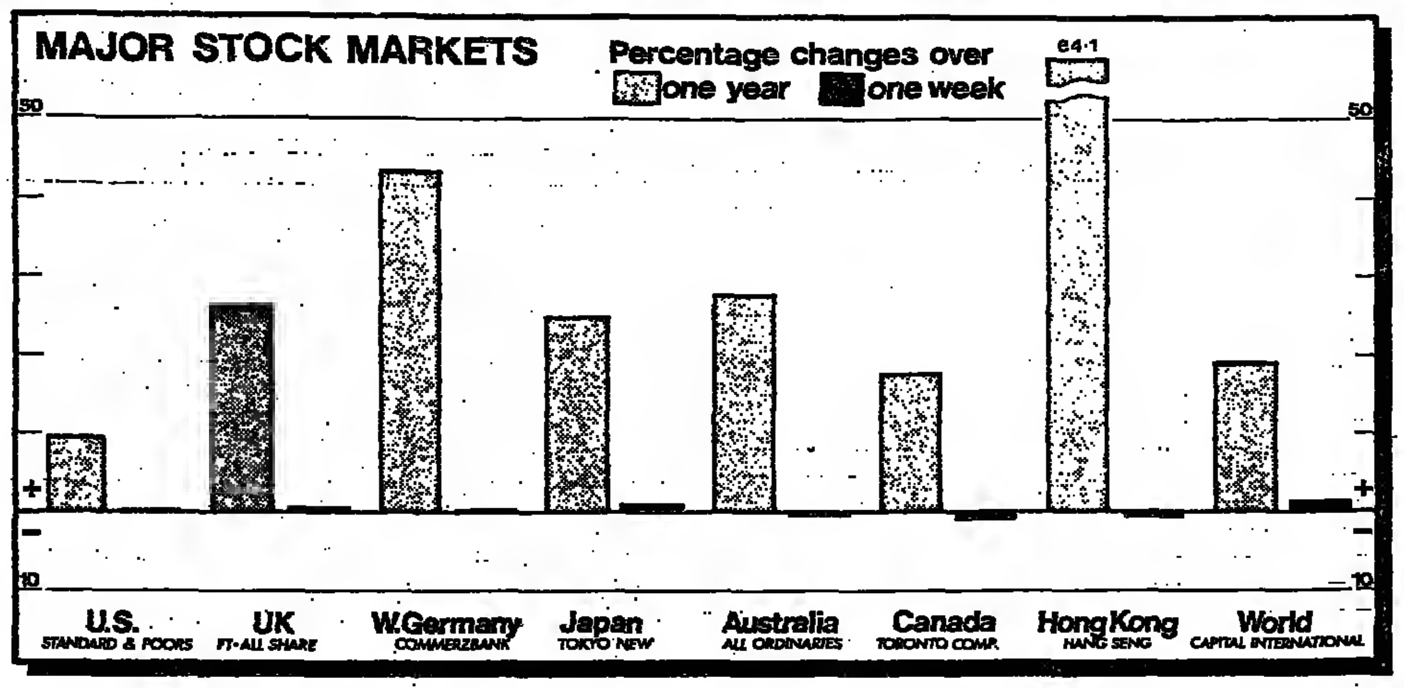
### SCRIP ISSUE

United Packaging—One for three.

### OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Brixton Estates—Raising £15m through a placing of 10¾ per cent debenture stock 2025 at £96.465.

Eastbourne Waterworks Company—Offer for sale by tender of £2.75m 8¾ per cent redemption preference stock 1995 at a minimum price of £100.




# Gold bugs give miners a boost

## Toronto

CONCERN AT South Africa's future stability has brought some unexpected excitement to the Toronto Stock Exchange this summer. While prices in most sectors drift aimlessly (prompting one analyst to note with some exasperation recently that "several months is a long time to sit on the fence, and we are tiring of this position"), gold bugs bailing out of South African stocks have given Canadian mining shares their best run in a long time.

The Toronto gold index soared by 20 per cent in July. Pushed up by the sudden jump in the bullion price, it spurted ahead by another 12 per cent in six trading sessions between early and mid-August. Echo Bay Mines, one of investors' half-dozen or so favourites on the gold board, has shot up in the last year from C$10.38 to around C$20.

In the last week or two, some of the action has moved west. On the Alberta Stock Exchange in Calgary, the share price of a little-known company, Borealis Exploration, has rocketed from C$15 to C$48.50 on news of a gold discovery in the remote Melville jenninsula region of the high Arctic. The company has confirmed that preliminary tests point tn the possibility of a "significant" find.

Gold shares have also been amon gthe most active on the Vancouver Stock Exchange, helping to push up prices by an average of 8 per cent since the end of June.

The amount of money that has flowed from South African to Canadian gold shares cannot be determined with any accuracy. Ian Hamilton, general counsel of LAC Minerals, Canada's second largest gold producer, says: "We've been told there's been some movement from South African stocks into ours. There has been a fair amount of interest in Europe." LAC hopes to capitalise on this interest when its shares are listed for the first time in Brussels and Paris next month.

Gold shares have probably been among the beneficiaries of the first net inflow of foreign funds into Canadian stock exchanges in five years.

Statistics Canada reported earlier this week that net purchases of common and preferred shares from abroad reached C$568m between January and June, compared to a C$239m drain in Calendar 1984 and an outflow of C$1.8bn in the previous three years.

As the advance in gold shares continues, concern is mounting that they have risen too far and too fast. Price-earnings ratios of some companies are now in the upper 30s and 40s, more than 50 per cent above levels this time last year.

According to the Toronto securities firm, Alfred Bonting and Company, most Canadian gold mining stocks "are now significantly overvalued or, put another way, are discounting a gold price far above most expectations." Enthusiasm for Canadian shares could evaporate rapidly, the firm warns, if the South African situation improves.

A Montreal-based firm, Maison Placements, advises clients to expand their gold portfolios only if share prices weaken of if the bullion price breaks through C$365.

For those prepared to stick out their necks in the hope of a further strong rise in the gold price, analysts recommend sticking to producers with low operating costs such as those involved in the new Hemlo mines in western Ontario — and to well-established companies, like Dome Mines and Agnico Eagle.

Caution on the gold board is in line with a hesitant attitude towards the market as a whole. The Toronto Stock Exchange has had a good run; with its 300 Index shooting up almost 18 per cent in the last year and reaching a record 2,810 in the last week of July.

Both economic and technical forecasts point to little further improvement for the time being. The prospects of slowing business activity in Canada sometime next year, limited scope for further interest rate declines (and perhaps an upturn in 1986), and predictions of disappointing earnings have all dampened investors' and analysts' enthusiasm.

The past year's run-up in share prices means that an unusually low proportion of Canadian companies are trading below their book values. A recent Financial Post survey found that only 21 per cent out of a sample of 339 companies were still bargains measured by this yardstick, compared with 69 per cent three years ago. Those still trading below book value include two major steel producers, Stelco and Algoma Steel and the forest products group, Domtar.

Technical analysts also point out that the volatility of share prices is at one of the lowest levels in recent years, a sign that investors have become more wary.

Several sectors given star billings earlier this year have now discounted expectations and, in some cases, the expectations have been lowered. Energy shares are a prime example. The euphoria over tax concessions and decontrol of domestic and export prices has given way to concern at the uncertain future of the international market.

Several analysts have gingerly lowered oil companies' earnings forecasts. Imperial Oil, one of the favourites earlier this year, is now trading about 10 per cent below its 1985 high.

**Bernard Simon**

# Statistical accident

## Wall Street

THE U.S. stock market suddenly sparked into life on Tuesday, when the Dow Jones Industrial Average registered its first double-digit advance for five weeks. For dealers still at work in the lacklustre days of mid August—Monday was the third slowest day in terms of volume this year—the advance must have come as welcome relief; but it turned out to be little more than a mild correction, ignited by arbitrage activity and a brief pursuit after the will o' the wisp of economic growth.

The futures specialists were drawn into some fairly aggressive buying by the opportunity of quick gains from selling the S and P 500 futures contract on the Chicago Mercantile Exchange and buying the underlying stocks in New York—a move which led to a disproportionate jump in the blue chip shares. On the economic front, the market took somewhat disproportionate encouragement from a revision of the "flash" July estimates of GNP growth from 1.7 per cent to 2 per cent.

Given the unreliability of the "flash" figures in the first place—Stephen Roach of Morgan Stanley described them this week as "a statistical accident looking for a victim"—it was difficult to see why such a meagre revision should have had any impact at all. And, two days later, the index predictably suffered an equally pronounced double-digit fall with the announcement of a 2.8 per cent decline in July durable goods orders, statistics which clearly support the view of an economy which is growing only sluggishly.

Most of the other evidence available this week was consistent with these numbers. Retailers have been reporting unexciting sales figures (and been hammered by the market for it); Firestone, the tyre company, came in with poor quarterly results complaining about a soft replacement market and growing imports; and even the car companies' launch of a big incentive financing programme, offering credit at between 7.5 and 7.7 per cent an old models up to October, is being interpreted cautiously by investors. The programme could well rebound, it is argued, by pulling forward sales at the expense of new and more expensive vehicles due to be introduced in the autumn.

Many companies also seem to have been reserving the August holiday period to dispatch unpleasant news. In the pharmaceuticals sector, for instance, A. H. Robins dropped a bombshell this week by filing for bankruptcy under the chapter 11 reorganisation proceedings, claiming it needed protection of the courts while it resolved product liability litigation over its Dalkon Shield contraceptive device.

Robins has thus followed Manville, the asbestos manufacturer, down the bankruptcy path in a move which will doubtless remind investors of the escalating costs of U.S. product liability settlements. The company says that apart from its Dalkon Shield activities, its operations remain healthy. But its share price, down to $8⅛, is now trading at less than a third of its 12-month high.

A.T. and T., the sprawling telecommunications giant which is still struggling to come to terms with the deregulation of its market, also produced some explosive action this week with the announcement of 24,000 redundancies in its information systems group.

The plan was probably mildly positive for the group's stock market image, since it seems to indicate a group that is coming to terms with a more competitive trading environment. But for the high-tech sector in general, it is yet one more indication of depressed conditions, amplified later in the week by a layoff announcement at Mostek, the semiconductor subsidiary of United Technologie[s]

In these conditions, som[e] analysts are surprised that th[e] equity market has not y[et] slipped through the suppo[rt] zone of between 1300 and 131[0]. Others see considerable suppor[t] however, from the muc[h] reduced level of interest rates.

Goldman Sachs, for exampl[e] argued in its Monthly Researc[h] Focus that the monetary pum[p] priming from the Federal Reserve Board should begin to stimulate economic growth in 1986, while lower interest rat[es] will feed into a softer dolla[r] eventually stimulating th[e] manufacturing sector next year and leading to corporate earnings growth around 15 per cent.

Meanwhile, the swirl of takeover activity is continuing to help the market. After mu[ch] speculation, Pantry Pride, th[e] supermarket group, finall[y] came out with a $1.9bn hosti[le] bid for Revlon, America['s] largest franchise cosmeti[c] company. The $47.50-a-shar[e] offer would give shareholde[rs] only an 8 per cent premiu[m] on Revlon's 12-month big[h] which is not regarded as particularly generous by the market; while Revlon has dug in for a long fight with [a] sophisticated anti-takeover device.

| | | |
|---|---|---|
| MONDAY | 1,312.59 | −0.3 |
| TUESDAY | 1,323.70 | +11.1 |
| WEDNESDAY | 1,329.53 | +5.8 |
| THURSDAY | 1,318.10 | −11.4 |

**Terry Dodsworth**

# Currency capers

## Mining

AS THE mole was saying only the other day, investing in mining shares has become a very tricky business these days. For a start, it's not enough just to take a view on the earnings prospects for a mine's product. You have to be something of a dab hand at following currency changes as well.

"Things don't seems to be doing what they oughter, either," said the Mole, appearing suddenly on my desk. "All at sixes and sevens," he added, thoughtfully.

"How do you mean, Moley?"

"Well, look at gold. There are plenty of reasons why the price should be much higher, if only because of the weakness of the dollar and the unrest in South Africa. Then there is still the threat of a strike of black South African miners who don't seem too happy about the latest wage offers.

"But after gold bounced up to over $340 an ounce on Monday week, then what 'appened?" he asked.

"It came back," I replied, mischievously.

"S'right," said the mole. "But you wait and seen what 'appens if people start to get the idea that inflation could come back. Like in the U.S. and Australia." he added darkly.

"S'right," I said.

"Still," he brightened, "I was right about there being no tax put on the Australian gold mines in the Budget there this week."

"So were a lot of other people," I replied. "That's probably why the market in Australian golds hasn't done very much this week."

"That market needs a push from a higher gold price," remarked the Mole, adding, sagely: "it must be a bit tired now after having climbed this year."

"Did you know that there is one Aussie gold share that hasn't moved at all?" I teased.

"Can't be," said the Mole, his whiskers twitching.

"Well, listen," I said.

The share to which I was referring is Seltrust Holdings the 75.4 per cent-owned Australian subsidiary of British Petroleum. The reason it has not moved in price is simply that dealings have been suspended since last October pending the company's restructuring.

The deal—now approved by shareholders afer earlier objections, to put it mildly—is that BP will shoulder the debts of Seltrust and also take most of the latter's non-mining assets. The rest, notably a 75 per cent interest in the promising Temora gold prospect in New South Wales and A$9.2m (£4.6m) in cash, will be put into a new company, Paragon Resources.

The minority, or public, shareholders will be offered 3½ shares of 20 cents in Paragon plus options to buy another 3½ shares at 20 cents (equal to 10p at the moment) each, in return for every share now held in Seltrust.

Alternatively, they can take 60 cents (30p) in cash for each Seltrust share. I would prefer to take the shares rather than the cash which, apart from anything else, is worth much less in sterling terms than it was when the deal was announced last year.

MIM Holdings, which owns 40 per cent of the Agnew nickel mine, has objected to the provision whereby Paragon is entitled to buy 9.5 per cent of the mine's output. This has delayed implementation of th[e] scheme, but it is now to g[o] ahead without waiting for th[e] Agnew dispute to be settle[d]. Dealings in Paragon are ex[-]pected to start in mi[d] September.

Moving on to South Afric[a] we come to the diamond-pro[-]ducing De Beers Consolidate[d] Mines which has announced [a] 10 per cent rise to R[...] (£102m) in half-year profit[s]. This is not very excitin[g] especially when it is realise[d] that earnings are up only be[-]cause of the weakness of th[e] South African rand; sales o[f] diamonds in U.S. dollar term[s] were down.

Still, it has to be remembere[d] that De Beers deliberately hel[d] its diamond sales in chec[k] during the period, partly t[o] avoid the experience of 198[4] when a strong demand in th[e] first half faded away in th[e] second half.

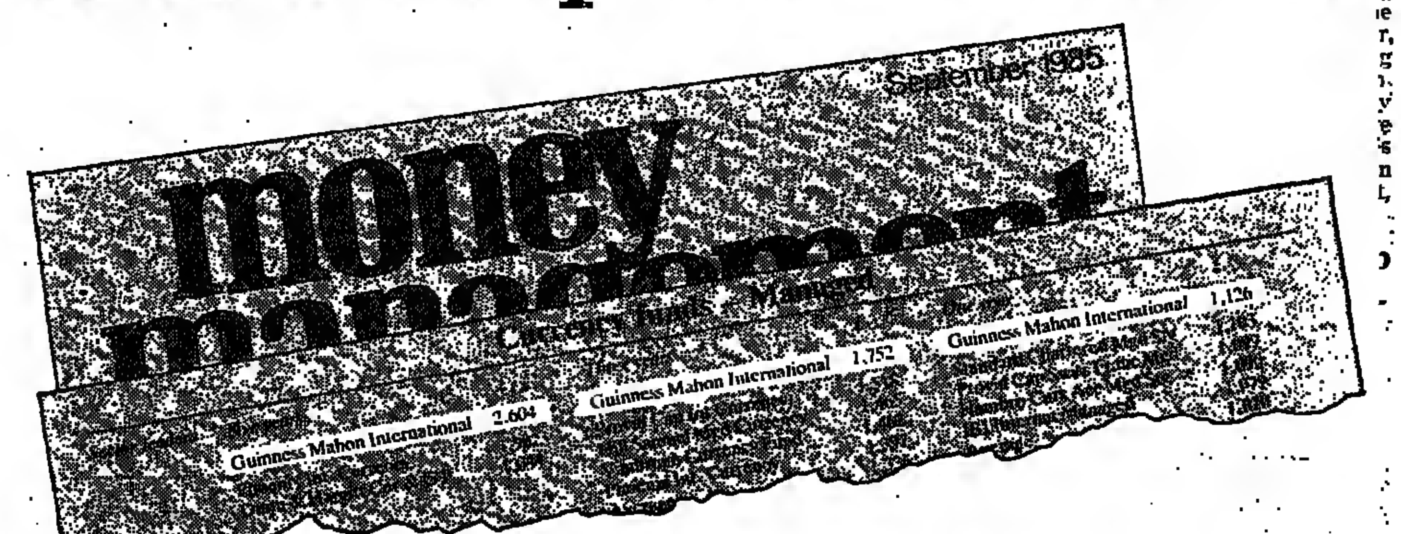
Chances are that earnings [in] the 1985 second half will b[e] better, especially as th[e] diamond cutters and polisher[s] are believed to have run dow[n] their previously high stocks.

De Beers has lifted its interi[m] dividend by 2½ cents to 15 cent[s] and might increase the fina[l] similarly to 30 cents; a far cry, alas, from the 75 cents tota[l] paid for 1980.

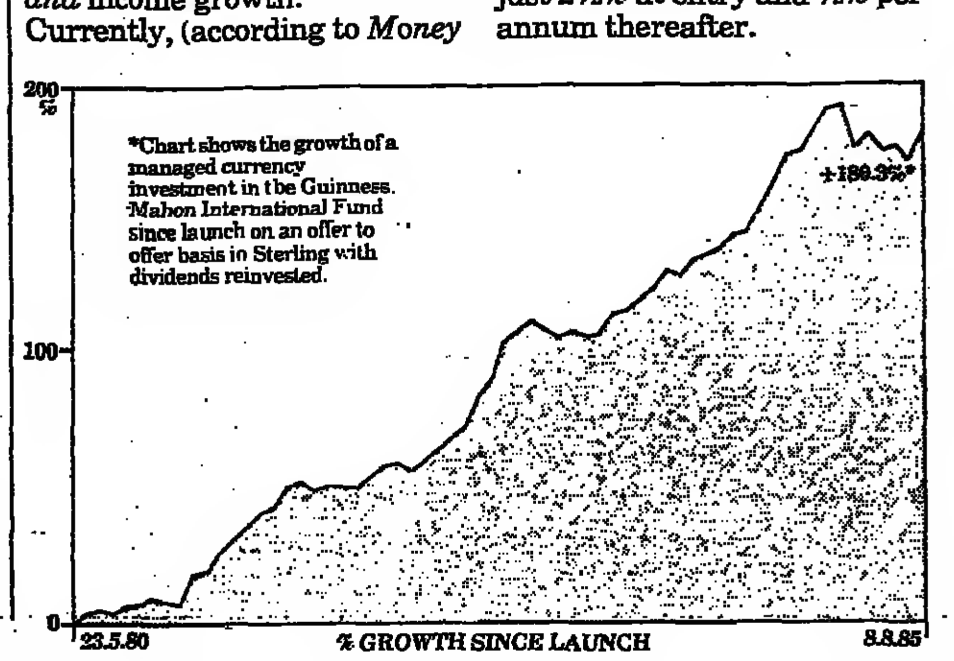
**Kenneth Marston**









Britoil shares

# Little difficulties in converting to cash

BRITOIL investors nursing their rather pathetic allotments of shares will have been encouraged by the healthy premium that has now opened up over the issue price.

Converting this premium into cash in the pocket might prove a little more difficult, however. If you see a price of 128p quoted for the Britoil partly-paid shares, do not think you can bank a profit of £28 on the 100 shares that are all you are likely to have received.

The stockbroker's commission and the spread between buying and selling prices could easily halve this profit.

Wood Mackenzie, the Edinburgh firm which is official broker to the Britoil issue, has lowered its normal minimum commission — but only to £10, plus VAT. So, for 100 shares quoted at 128p you would pocket only £114.50 by selling them.

You will get a slightly better deal on commissions at other brokers. The London firm of Quilter Goodison, for instance, is charging £7.50 for 100 shares and £11.25 for 150.

The Birmingham firm, Albert E. Sharp, has dropped its minimum commission even further, to £5, and says it is applying the same scale of rates to all privatisation issues. Stock Beech, in Bristol, has been charging £5 for the past two weeks, but reverts to its normal £8 minimum next week.

Most brokers also will be cautious if you have not dealt with them before. Usually, they will not sell your Britoil shares until they receive your renounced letter of allotment, although Quilter Goodison said this requirement would be waived if you were introduced by an existing customer.

For the small investor with only 100 shares to sell, the best deal is likely to come from one of the licensed dealers who trade in what is known as the Over The Counter (OTC) market. They do not charge commission; instead, they make their profit by having a wider gap between their buying and selling prices than a traditional Stock Exchange jobber.

When we checked prices this week, the OTC dealers' bid price—the one they will pay for your shares—stood at 4p or 5p below that of the Stock Exchange. Their offer price — at which they will sell shares to you—was actually below the exchange.

In most cases, the spread between bid and offer prices was 5p on the OTC and 3p on the exchange. But one licensed dealer, Prior Harwin, quoted a spread of only 3p, with its offer price below the exchange bid price.

Some dealers still are taking no chances when they get on the phone. One of the cardinal rules when dealing on the OTC is not to reveal in advance if you are buying or selling (although with Britoil a dealer can be fairly sure it's the latter).

So do not be surprised if next month you receive a phone call from the dealer whom you sold your Britoil shares, trying to sell you shares in Taddale Investments or Future Forecasts.

Some OTC dealers also have developed a reputation for slowness with their paperwork and their settlement cheques. There is little you can do about this except keep on complaining—and use another dealer next time.

You have to play fair in return. "There is a lot more bad treatment by investors to licensed dealers than the other way round, believe it or not," says Tony Prior of Prior Harwin.

If you ring up a dealer and sell him your shares, you cannot hang on to your letter of allotment and sell the shares again next week if the price goes up, as many firms found investors doing after the British Telecom issue.

**George Graham**

WHAT YOU GET FOR YOUR BRITOIL SHARES *

| Firm | Bid p | Offer p | Proceeds of 100 shares £ |
|---|---|---|---|
| Wood Mackenzie | 126 | 129 | 114.50 |
| Quilter Goodison | 126 | 129 | 117.38 |
| Albert E. Sharp | 125 | 129 | 120.25 |
| Cleveland Securities | 121 | — | 121 |
| Harvard Securities | 122 | 127 | 122 |
| Prior Harwin | 122 | 125 | 122 |
| Ravendale | 122 | 127 | 122 |

* Prices change rapidly, so check for yourself before dealing

BUILDING SOCIETIES CHANGE OF RATES

| Account | Notice | Min. £ | CAR net |
|---|---|---|---|
| INSTANT ACCESS ACCOUNTS | | | |
| Anglia Instant Gold | nil | 250 | 8.75 |
| Skipton Sovereign | nil | 500 | 9.10 |
| Cheltenham Gold | nil | 500 | 9.00 |
| Halifax, Leeds, Nationwide, Woolwich | nil | 500 | 8.75 |
| Abbey National Higher Interest | nil | 10,000 | 9.73 |
| Nationwide Bonus 90 | nil | 10,000 | 9.73 |
| Woolwich Capital | nil | 10,000 | 9.73 |
| Skipton Sovereign | nil | 10,000 | 9.60 |
| Yorkshire Platinum Key | 60 days | 500 | 9.80 |
| National and Provincial Special Share | 60 days | 500 | 9.73 |
| Anglia Capital Plus | 90 days | 10,000 | 9.75 |
| Bradford and Bingley High Income | 90 days | 5,000 | 9.75 |
| Halifax 90-day Xtra | 90 days | 500 | 9.73 |
| Abbey Higher Interest | 90 days | 500 | 9.73 |
| Leeds High Return | 90 days | 500 | 9.73 |
| Woolwich Capital | 90 days | 500 | 9.73 |

Building societies

# Rates to date, and to wait for

ONLY A dozen or so building societies have so far announced their new investment rates, effective September 1, and it is too early to assess which society now offers the best return.

Societies had been expected to cut the return on some of their accounts by more than 1.25 percentage points to offset the loss of their mortgage differentials. This has not yet happened, partly because only three societies have totally disbanded their differential schemes. Neither of the societies' two main competitors—the clearing banks and National Savings—have cut their investment rates yet.

Concern about the main competitors is reflected in the fact that Abbey National has limited its rate cuts to just under one per cent. One of its leading accounts, Cheque-Save, is a direct competitor of the clearing banks high interest cheque book accounts. Its new tiered rates on this account have been set to offer a better return than those currently available from the clearing banks on deposits of £2,500 and over.

The Halifax has also introduced a double rate band to improve the return on its Cash Card account which offers cash dispenser facilities for both withdrawals and deposits as well as free standing orders and money transfer. It now pays 8.75 per cent on sums over £2,000, which also compares favourably with the banks.

As usual, however, two of the second tier, smaller, societies who have consistently offered better returns than the major societies have again announced higher rates. On the basis of information to date, therefore, investors with £500 to invest will do best with the Skipton Sovereign share account offering a compound annual rate (CAR) of 9.10 per cent.

If you are prepared either to give 60 days' notice for any withdrawal, or suffer 60 days' interest penalty, then the Yorkshire Platinum Key account offers a higher return of 9.80 per cent.

If you are prepared to lock your money away for longer, then guaranteed premium accounts such as the Alliance Premier offer a return of 9.75 per cent on deposits of £1,000, and the Halifax Premium Extra a return of 9.74 per cent on deposits of £10,000 and over.

## Mortgage rates

Mortgage differentials have not been dismantled as rapidly as anticipated—see table. Only one society, the Halifax, is dropping differentials for all borrowers with effect from September 1. The only two major societies currently not charging more for larger mortgages are the Nationwide and Woolwich.

Four more societies have eliminated differentials for new borrowers only. Of these, the Abbey National promises to eliminate them for existing borrowers by December 1, the Cheltenham and Gloucester in December, and the Yorkshire is "considering" doing so from the beginning of next year.

The Leeds Permanent is the only one of the 10 leading societies which is hanging on to its existing differential structure for borrowers. In addition it will not be reducing its rates until October 1.

All the other major societies are either shaving down or simplifying their differential structures.

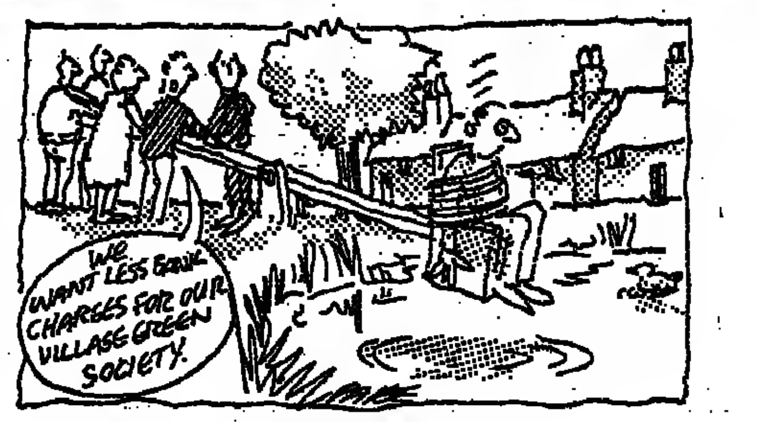
MORTGAGE RATES

| Society | Mortgage rates |
|---|---|
| **New and existing borrowers:** | |
| Halifax | 12.75% for all mortgages |
| Nationwide | 12.75% for all mortgages |
| Woolwich | 12.75% for all mortgages |
| **New borrowers only:** | |
| Cheltenham and Gloucester | 12.65% for all mortgages |
| Abbey National | 12.75% for all mortgages |
| National and Provincial | 12.75% for all mortgages |
| Yorkshire | 12.75% for all mortgages |
| **Existing borrowers only:** | |
| Cheltenham and Gloucester: | |
| Up to £20,000 | 12.65% |
| £20,000 plus | 13.15% |
| Abbey National: | |
| Up to £15,000 | 12.75% |
| £15,000-£25,000 | 13.00% |
| £25,000-£30,000 | 13.25% |
| £30,000 plus | Negotiable |
| National and Provincial | 12.75 to 13.25%† |
| Yorkshire: | |
| Up to £15,000 | 12.75% |
| £15,000-£20,000 | 13.25% |
| £20,000-£30,000 | 13.50% |
| £30,000-£40,000 | 13.75% |
| £40,000 plus | 14.0% |
| **New and existing borrowers:** | |
| Leeds Permanent: | |
| Up to £25,000 | 12.75% |
| £25,000-£30,000 | 13.00% |
| £30,000-£35,000 | 13.25% |
| £35,000 plus | 13.50% |
| Anglia: | |
| Up to £30,000 | 12.75% |
| £30,000-£45,000 | 13.25% |
| £45,000-£100,000 | 13.50% |
| Bradford and Bingley: | |
| Up to £20,000 | 12.75% |
| £20,000-£50,000 | 13.00% |
| £50,000 (if 75%-plus mortgage) | 13.25% |
| Alliance: | |
| Up to £20,000 | 12.75% |
| £20,000 plus | 13.00% |
| Leicester: | |
| Up to £20,000 | 12.75% |
| £20,000 plus | 13.0% |
| Skipton: | |
| Up to £30,000 | 12.75% |
| £30,000-£60,000 | 13.00% |
| £60,000 plus | 13.25% |

† Depending on original differential.

The Nationwide and Woolwich have lost their position as the cheapest mortgage lenders amongst building societies. This now goes to the Cheltenham & Gloucester whose rate will be 12.65 per cent to new borrowers from September 1. Existing borrowers will have to wait until October 1 for this new basic rate and will, until December, have to continue paying their existing differentials.

**Margaret Hughes**




Readers ask

# Where charity stops

WHAT bank accounts should I choose for the local club where I am secretary and treasurer, asks John Phillips of Walthamstow?

FREE BANKING is the favourite weapon in the banks' drive to win personal customers. For club and charity treasurers there is less freedom.

Keep your personal current account in credit and you can escape bank charges at leading banks such as the Midland, the Co-op and the Scottish banks.

In your capacity as Honorary Treasurer of the Fugglestone Village Green Preservation Society, however, you will have a much tougher job winning free banking. It is hard enough to get a straight answer on how much you will have to pay for each transaction. In addition, some bank accounts will simply not be available to you — NatWest's Special Reserve higher interest account, for example.

Clubs and associations are generally dealt with by the clearing banks in the same way as companies: charges on their bank accounts are entirely at the discretion of the branch manager.

There are guidelines issued by head offices, based on the size of turnover, number of transactions and amount of balances left on deposit. But the banks are very unwilling to disclose these in case customers treat them as a base line to start haggling.

Small local charities will normally be free of service charges, according to the Royal Bank of Scotland; but not clubs, which would have to negotiate with the bank manager. Some clubs might have a higher turnover than the average pub, the Royal Bank points out.

The Midland, meanwhile, says that the charging scale for a charity will be worked out so that the bank only breaks even, unless the charity is engaged in a commercial activity.

At least you know where you stand with the Co-op's new Cheque and Interest account, launched in April as a corporate version of the Cheque and Save account for personal customers.

The administrative charge is £3 a month, which covers the cost of up to 18 debits a quarter. If you make more transactions than this, the charge rises to 50p per £100 of turnover.

The account also pays interest—currently 10 per cent gross on balances between £500 and £2,500, and 12.5 per cent on anything above that.

Save and Prosper is also more forthcoming about bank charges. Its Deposit High Interest Bank Account has no charges, though it is not suitable for current banking since minimum deposit or withdrawal is £250. Its Corporate High Interest Bank Account also has no charges for larger balances, but below £2,500 the dreaded "negotiable" charges creep in.

You can receive interest gross from any other deposit accounts, but you will have to ask for it. Most of the depositors in something like the Lloyds Bank Extra Interest Account are individuals, and the bank must deduct income tax at source at the composite rate agreed with the Inland Revenue. Clubs and associations are, however, among the groups that may be exempted from the composite rate tax rules, and may ask to have their interest paid to them without deduction of tax.

If you run a charity, you have the option of placing your money with the Charities Official Investment Fund. The fund, which has now grown to nearly £20m, requires no minimum deposit, allows withdrawals on demand without loss of interest, and pays interest without deducting tax. It offers money market rates, 11.55 per cent last week, compounding to 12.1 per cent a year, matching the best of the high interest bank accounts.

**George Graham**

Briefcase

# Cash gifts to daughters

From time to time I have made cash gifts to my two daughters and since these gifts have in every instance exceeded the £3,000 CTT exemption limit I have kept the Capital Taxes Office informed.

My wife has not made any such gifts.

I now wish to bring the sum total of my cash gifts up to the present £67,000 limit of the nil tax bracket.

My question is: Since I will be giving £10,000 to each daughter during the current tax year, will my wife and I be free to use the £3,000 as further tax exempt gifts in addition to the £10,000 transfers?

Also, in the case of my wife and myself, if we jointly exceed our collective £6,000 exemption, is total amount, i.e. the £6,000 plus whatever, notifiable or just the amount in excess of £6,000?

The annual exemption of £3,000 is available independently of the £67,000 in the nil rate bracket. The sum which is notifiable is the excess over £30,000 (for each donor but it is likely that this can only be sufficiently explained by reference to the totality of the gifts made. In addition to the £3,000, small gifts of up to £250 per person (recipient) may also be made.

## Trust for disabled son

My son, aged 39 was born deaf but earned a reasonable living as a precision engineer until a few years ago when he also suffered renal failure. He was able to continue part time employment, thanks to a very considerate employer, although his employers allowed him one year's unpaid leave of absence pending a kidney transplant. This has not yet materialised and during this time my wife and I have contributed financially towards his and his family's welfare including covenants for the two grandchildren. He has also been maintained by the DHSS and is now classed as disabled and has a mobility allowance. I am keen that the DHSS support should continue after my death (I am aged 70) and this would follow if his capital is below £3,000. On my death my estate goes to my wife, but in the event of our joint demise, in say a car crash, our estate (approximately £70,000) would go to our son and his DHSS support would end until the capital reduced to £3,000. It is possible that our estate could be transferred to a trust, from which interest of £3,000 (plus DHSS support) could be used to support my son and his family, particularly our two grandchildren until they are 18 when part of the capital would revert to them.

It would be possible for you to create a trust on the lines which you suggest. The precise terms of it should be carefully considered in order to ensure that the tax position of all beneficiaries is not unnecessarily adversely affected. It may be that a discretionary trust would be appropriate, either as to the whole or as to some suitable fraction of the trust fund. You should consult a solicitor.

## Partnership negligence

A client consults a solicitor—presumably the junior in a firm of two — after months of dissatisfaction I complained to the Law Society, who procrastinated by stating the Society cannot deal with negligence but only with behaviour unbefitting a solicitor. I supplied documentary evidence supporting that my complaint came within this category. I was informed that much of this evidence was on "points of law" which the Society did not deal with. A few days ago I visited the Law Society to inquire the date this solicitor qualified, and was informed that he is not a solicitor, neither under articles of clerkship. Today I telephone ILEX at Bedford and was informed that this man is not a Fellow or Member of Institute of Legal Executives. Neither is he registered as undergoing any form of training. I have not seen the senior partner who, no doubt, is a solicitor, but only this unqualified person. Can you please express an opinion as to the legal situation. His unqualified opinions and statements has affected my position in various ways.

It seems that you are likely to have a claim in negligence (which would have to be established through the Courts, if it is disputed) against the firm ie all the Solicitor-partners. You could also invite the Law Society to discipline the partners in the firm for allowing your matter to be handled by a wholly unqualified person. That person may himself be prosecuted for acting as a solicitor when unqualified under sections 20 et seq. of the Solicitors Act 1974.

## Sorting out joint costs

My son's building society has required him to strengthen his roof (in London) as a condition of his mortgage and this will necessitate work on the party wall. His surveyor has followed the "structure notice" procedure but the adjoining owner's surveyor has declined to settle the award until his charges are met by my son. In principle it is clearly right that my son should bear the cost which results from works on his house but in this case the surveyor's charges are higher than the cost of the party wall works (and are substantially greater than those of, for example, a full structural survey). My son suspects that part of the reason for the high fee is that the surveyor is not local and will, therefore, have included considerable travelling time for his fees. Is there any way that my son can ensure that the adjoining owner pays the costs that have been incurred unnecessarily through not using a local surveyor? Does the legislation, for example, provide an arbitration mechanism in respect of costs incurred in agreeing an award?

The costs of the parties are entirely in the discretion of the surveyor making the award: see Section 55 (I) of the London Building Acts (Amendment) Act 1939. Unless the question of costs has already been dealt with in a draft award, your son should offer to pay into a joint account (to abide the determination of the costs under the award) a sum sufficient to cover the adjoining owner's reasonable surveyor's costs. Alternatively application can be made to the surveyor making the award to make an interim award dealing with the costs which have been demanded.

**The Finance and the Family pages are now being edited by John Edwards**

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

Offshore funds

# Double trouble

BRITISH investors in the Dutch Investment fund Robeco could face a heavy tax bill as a result of new UK regulations to clamp down on offshore roll-up funds.

Robeco, which claims to be the largest mutual fund outside the U.S., has run up against a clause in the regulations which is likely to deny it distributor status.

This means that UK investors—who are estimated to have put between £25m and £50m into Robeco and its sister fund Rolinco—will end up paying income tax at up to 60 per cent on all their gains, rather than capital gains tax at 30 per cent.

Robeco is arguing with the Inland Revenue, because it feels its distributor status is being blocked on a technicality. The regulations were designed to catch offshore funds that deliberately did not distribute their income, leaving it to accumulate in the fund and thus converting it into capital gain.

Robeco feels it complies in full with the spirit of the law, as it distributes its income in the form of a healthy dividend. But it fails to comply with the requirement that any company in which it holds more than a 10 per cent stake should also qualify for distributor status.

This clause is designed to prevent a fund from sidestepping the law by investing through a sub-fund, which itself acts as an old-style roll-up fund. Robeco gets caught because it owns 25 per cent of a company set up in Switzerland to run a branch information office.

This subsidiary does not qualify as a distributor and so automatically disqualifies Robeco.

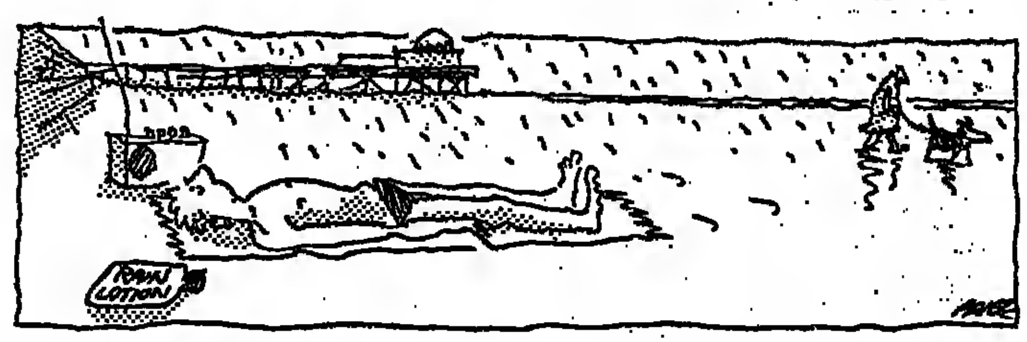
The same sort of problem earlier affected Fidelity's offshore Australia fund, which had invested more than 10 per cent of its assets in a single company and was therefore disqualified from distributor status.

British investors in Robeco can now only sit back and hope that the Government tidies up some of the law's anomalies before they want to cash in their shares.

If it does not, they will have to pay income tax on their capital gains, as well as on their dividends.

Robeco shares are traded on 19 of the world's stock exchanges, including London, but they are also sold directly by the fund, so the share price stays close to net asset value.

**George Graham**




Weather

# Wet, but covered

BRITISH holidaymakers, shivering in the rain, may have been pleased (and somewhat amazed) to hear that an American court has awarded £1m damages against the U.S. Government Weather Service for failing to predict a storm in which three lobster fishermen lost their lives.

There were special circumstances involved in the judgment. The equipment used by the Weather Service was faulty, and the judge ruled that if the equipment had been working properly it would have predicted the storm.

The U.S. judge also recognised that the Weather Service had a special duty to professional groups, who relied on its forecasts, not to the general public.

English courts take a much more restricted view. A storm is basically an act of God and without special circumstances it is unlikely anyone would be found liable. It is possible to take out insurance against the weather. The leading company dealing with this is Eagle Star, whose pluvious policy covers you in case of bad weather.

But you must appreciate that weather insurance policies are not speculative bets on whether it is going to rain or not on a particular date. The pluvious policy provides cover against identifiable losses that might be suffered as a result of bad weather.

If, for example, you are planning a large wedding involving the hire of an expensive marquee, and you are worried it might rain so hard that the party has to be moved inside the house, you can insure the cost of the marquee.

The premium for pluvious policies tends to be between 4 per cent and 7 per cent of the sum insured and reflect the time of year, the area and the event that is taking place.

Organisers of open air theatre, pageants, horse shows and fetes can also get insurance and Eagle Star specialises in individual policies tailored to your requirements.

It is interesting that even though this year's summer has been virtually non-existent, and it has rained almost consistently, Eagle Star's rates have remained the same.

**Jeremy Sandelson**

# Mothers and the taxman

FINANCE & THE FEMALE

TAX ALLOWANCES available to single mothers bringing up children are fairly limited, so working out your entitlement is unlikely to be a difficult exercise.

The allowances are designed to give single women in certain circumstances the equivalent of a married man's tax allowance. While a single woman is allowed the single person's tax allowance of £2,205 she may also be entitled, as a single person bringing up a child, to an additional allowance of £1,250. The total of £3,455 is the same as the married man's allowance. Only one "additional allowance" is provided for regardless of the number of children being supported.

For you to qualify for the additional allowance, the child must be either your own (including adopted children) or a child you look after at your own expense, and under 18 at the beginning of the tax year (April 6).

However, if the child is over 16 on April 6 of the tax year, he/she must be receiving full-time education or training if you are to qualify.

In cases where the child's time is spent between you and the father, the additional allowance can be split between you. If you cannot agree on this, the local general commissioners of income tax will arbitrate.

If you are not married to the child's father but are living with him, you can still qualify for the additional allowance, as long as the child is in your care.

Bear in mind that the law is primarily concerned with the welfare of the child. To ensure that the child has some secure income, a court order can be used to compel the father to maintain the child.

"Small maintenance payments" amounting to under £33 a week made under court order can be more tax-efficient than those which are made "voluntarily," as the father may be allowed tax relief on his child support.

As a single parent, you may be entitled to one-parent benefit from the Department of Health and Social Security (DHSS)—£4.25 per week for the first child only—but any supplementary benefit you may be getting will be reduced by the amount of one-parent benefit you receive.

As a single parent, you can get child benefit paid weekly, instead of every four weeks.

You are likely to find that you are entitled to a variety of benefits depending on your particular circumstances—whether you are divorced, for example, or a widow. In some cases one claim takes precedence over the other, and for advice you should ask your local DHSS office or dial 100 and ask the operator for Freephone DHSS.

If you are permanently separated from your husband and are bringing up a child on your own, you cannot claim for one-parent benefit if you have been separated for less than 13 weeks, unless you are legally separated or already divorced.

**Dina Thomson**

Options

# 100-share hunches

ON OCCASION it is easier for private investors to guess which way the stock market will go as a whole than to identify accurately which shares will lead the way.

Investors with limited free capital, have however found it difficult to act on these hunches. By trading the FT-SE 100 index option they can now back their views using an index which reflects the movement of 100 major Stock Exchange shares.

Halfway through August the FT-SE index stood at 1,285; it had only moved 2-3 points for six days. Markets are rarely stable for that length of time, and a more substantial move seemed likely.

Once the interim results were out of the way (they tend to depress the market these days), and the South African problem began to appear less severe, it was a strong possibility that the market would react positively in anticipation of good news on interest rates.

By Tuesday the index was up to 1,308, and buyers of the index option had cleared 50 per cent profit in a week. They did so by taking out an option to buy the index at 1,300 in September when the index was around 1,285. The cost of this option, the premium, was 20p multiplied by 1,000, or £200. When the index was up to 1,308 that option to buy at 1,300 was showing 8 points of intrinsic worth, and it still had over four weeks to run. As a result, the price of the option rose to 30p, or £300 per contract; a gain of 50 per cent.

Because the contract is one of the Stock Exchange's traded options, that profit could be taken by simply selling the option back to the market, in exactly the same way as one takes a profit from shares.

The index option can also be used to profit from a decline in the overall market. If investors expect a decline in prices they can buy an option which gives them the right to sell at a known price at a later date. This is known as a "put" option (the buy option is a "call").

If the market falls then the "put" option premium rises, and the transaction shows a profit.

"Puts" are rarely as popular as "calls" for a variety of reasons, not least that buying a contract in anticipation of making a profit from a decline in prices is a difficult concept for most investors to come to terms with. However, professionals use them profitably.

**John H. Parry**

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Gold coins

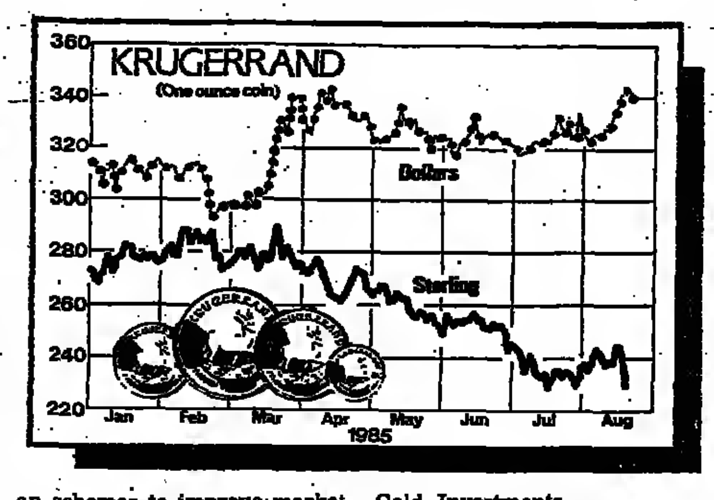
# Rivals move in on Krugerrands

## John Edwards looks at the likely beneficiaries of the politically damned

ANGELS, Eagles, Maple Leafs and Pandas have one thing in common: all are potential rivals to the Krugerrand and hoping to cash in on the moves to restrict sales of the popular South African gold coin. They might well soon be joined by an Australian contender (perhaps to be known as the Kangarand?).

The Angel is the name of the new gold coin from the Isle of Man while the Eagle is the proposed American coin. The Maple Leaf comes from Canada and the Panda from China.

So far, the Krugerrand remains by far the biggest seller, accounting last year for an estimated 2.6m ounces out of world sales of 4.2m of coins. It has been a hugely successful way of selling extra South African gold, at a premium price, since it was introduced in 1970.




Altogether, more than 50m Krugerrand coins, equal to 43.5m ounces (or about 1,200 tonnes) of gold, have been sold so far. Krugerrands account for 15 per cent of total South African gold production, and have enlarged potential sales outlets enormously by enabling investors with limited resources to buy gold in small quantities in an easy and convenient way.

This success story might, however, be coming to an end following the threat of a U.S. ban on importing Krugerrands (and the Australian Government's decision this week to do so) as part of trade sanctions against South Africa.

The International Gold Corporation, the marketing arm of the South African Chamber of Mines, stopped issuing monthly sales figures for Krugerrands in May, so it is hard to say just how badly they have been hit. Sales had already been well down, reflecting the depressed state of the gold market generally. But it is known that the Canadian Maple Leaf has been making tremendous inroads into the U.S. market, in particular.

The Royal Canadian Mint is hoping that Maple Leaf sales will top 1.5m ounces this year compared with 1m ounces in 1984, and is planning to boost sales in the Far East and Europe. It is already working on schemes to improve marketing and distribution.

In Britain so far, according to dealers, there has been no great rush away from the Krugerrand into alternative coins although there has been some selling pressure from institutions. They are worried that the coin's premium over the gold price, charged to cover the cost of minting and marketing, will shrink as a result of surplus coins becoming available from the drop in American sales.

Dealers on the "retail" end, selling to the public, say there has been little change in buying habits, partly because the overall market has been so dull. According to Gold Investments in London, the imposition in 1982 of VAT on gold coin sales in the UK virtually "killed" the market and wiped out many smaller dealers. And although there were perfectly legal schemes to avoid paying VAT, such as storing coins offshore in places like the Channel Islands or Gibraltar and never actually taking possession, the kind of person interested in buying coins normally was not satisfied with just a piece of paper showing his holdings. The majority of small investors, liked to have something to show and hold themselves, said Gold Investments.

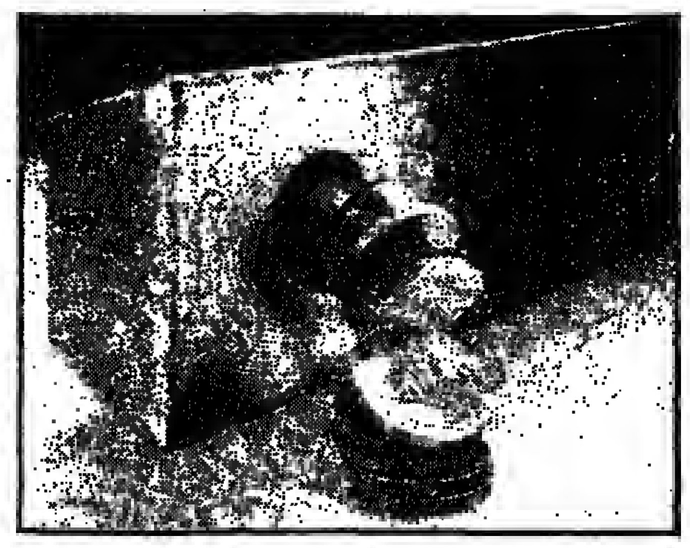
Sharps Pixley, the London bullion broker, agrees that investors normally want possession of the actual coin, which is "portable and anonymous." Offshore storage schemes are viewed as being rather cumbersome and unsuitable for investors not wishing to get involved in paperwork.

Peter Shaw, of Cavendish Shaw, said there had been no dramatic decline in Krugerrand sales and he doubted whether there would be; however, demand was better for some other coins such as the Maple Leaf, and more recently the company had started selling the Panda (one attraction of which, at one-20th of an ounce, was its suitability for the jewellery trade in, for instance, making earrings).

Shaw is confident that, in spite of the VAT problem, demand for coins will rise substantially when the gold market itself picks up—something that he feels is only a matter of time.

One of the great strengths of the Krugerrand is that it is easy to buy and sell at known prices from a wide network of outlets, ranging from the clearing banks to brokers and specialist dealers dotted throughout the country. Intergold says this vital two-way market will remain intact, whatever the American Government decides to do, and that the Krugerrand will continue to have a strong future outside the U.S.

However, the entry of a host of rival coins can be expected to intensify competition in a market showing signs of recovering as inflation fears start to re-awaken. If the gold price does start to take off, as the pundits predict, hoarding of coins might well return to favour, even though it is a "sterile" investment providing no interest or dividends.



## Bullion set on upward trend

THE SIGNS are that gold is finally breaking out of its long period in the doldrums. This week, the dollar spot price on the London bullion market reached the highest level so far this year, rising to over $340 an ounce at one stage before falling back on hopes that the threatened South African miners strike would be averted.

The growing political problems in South Africa, the world's largest gold producer, already have brought a sharp reaction on the stock market, with South African mining share values plummetting while Australian and Canadian gold stocks are riding high.

Now, according to brokers and dealers, the bullion market is starting on an upward trend. London stockbroker Laing & Cruickshank, for example, has just produced a mighty tome—called the Gold Share Valuation Service—that predicts gold will reach $400 an ounce by the end of the year and average $450 in 1986.

It says that gold, and gold-related assets, are about to become fashionable again in line with a decline in the international value of the dollar and fears of a sharp resurgence in the rate of U.S. inflation.

Most other brokers seem to agree, although they are more cautious about when, and by how much, the gold price may rise. Chrtist Brian Marber, in his latest report, claims the major long-term trend in gold and silver appears to have turned from down to up; and he concludes that gold is on the threshold of a significant advance.

But while this might please the gold bugs, it doesn't necessarily mean investors should rush out and buy the metal. Indeed, as the graph on the trend in coin values shows, the sterling price of gold has fallen this year, with the rise in the dollar price being insufficient to match the fall in the value of the dollar against sterling.

**JE**

## Purity down under

IF ALL goes to plan, a series of four Australian gold coins will be on the international market by the end of this year or early in 1986.

Only tentative designs have emerged so far and there are no names but the coins—of one ounce, half an ounce, one-quarter and one-tenth of an ounce will have a gold purity of 99.99 per cent.

The Perth Mint, owned by the state government in Western Australia, has won federal government approval to produce the coins as legal tender.

The move is unashamedly opportunistic, with the mint hoping ot fill the gap created by the increasing political unacceptability of the Krugerrand. The hope is to capture 10 per cent of the world market for gold coins, now estimated to be running at about 136 tonnes of gold, worth some A$2bn (over £1bn).

The success of the Canadian Maple Leaf recently appears to provide a model for the planned Australian coins. The Canadian coin last year is believed to have won around 30 per cent of world sales compared with the Kruger's 60 per cent.

By having a high gold content (like the Maple Leaf), Australia is hoping to cater for the Far Eastern preference for a high grade coin. Including coins of quarter- and one-thenth-ounce in the proposed range is directed at the Japanese market, where gold coins worth more than the equivalent of $150 attract a 15 per cent commodity tax.

David Donald, administrative officer at the Perth Mint, says it already has most of the machinery and capacity to produce the coins. Stuart Devlin, goldsmith and jeweller to the Queen, has been retained as consulting artist to the West Australian Government. He already has tentative designs featuring Australian motifs.

Estimates are that 300,000 to 500,000 coins would be minted each year if the 10 per cent world target is reached. That alone would account for roughly one-third of Australian annual gold production of some 40 tonnes. Most of this is produced in Western Australia and processed and refined by the Perth Mint, which until 1970 was a branch of the Royal Mint in the UK.

As well as having a Royal pedigree, the Mint's official stamp is one of the few recognised around the world as a mark of gold purity.

**Lachlan Drummond**

Currency

# The best exchange rates under the sun

LAST-MINUTE British holidaymakers in search of the sun in the more conventional resorts will generally find that their pounds buy more now than they did at the beginning of the summer.

At the moment, France, Switzerland, Germany and South Africa (given the rand's recent collapse) all offer good value for money. Spain and Portugal are reasonably priced, but Italy remains fairly expensive despite the lira's devaluation. Though sterling has appreciated against the dollar in recent months, the U.S. is still expensive for the British tourist.

Holidaymakers who want to be certain of locking into a particular exchange rate should buy their foreign currency now. Commissions in the banks vary from a flat fee of £1 to about 0.5 per cent.

However, there are some countries where it is not a good idea to take in wads of the local currency — or not possible.

Anyone going to Israel would do better to take low denominations of pounds or dollars with him because as one Lloyds Bank currency dealer said, "with inflation running at about 27 per cent last month, if you take shekels your purchasing power will decline during the flight out."

Another currency to buy in moderation while in Britain is the Turkish lira. There have been reports of wide discrepancies in the exchange rate, and with the Turkish economy not looking so strong, tourists will find that their pounds or dollars (notes or travellers cheques) buy more on arrival. The answer is to take sufficient lira to tide you over the first day or so and buy the rest when you're there.

One bank suggested that an even better rate could be obtained on the black market, but readers who have seen the films *Midnight Express* and *Yol* will know that Turkish prisons offer a far from satisfactory alternative to tourist accommodation.

As for Portuguese escudos and Spanish pesetas, holidaymakers can generally get a much better exchange rate in the off-season when there is a surplus of notes outside the country.

There are certain holiday areas which restrict the amount of money tourists can take in anyway. These include Cyprus, limit C£50 (£63); Greece 3,000 drachma (£17); Italy 400,000 lira (£154); Malta M£ 50 (£80); Portugal 5,000 escudos (£22) and Yugoslavia 2,500 dinar (£7).

Morocco and Tunisia allow no movement of their currencies in or out.

One way of circumventing obstreperous officials was reported by a colleague who tried to leave India still clutching a few rupees. On being told that he could not take the rupees with him, he promptly produced a cigarette lighter and was about to set fire to the notes when the official relented.

It is up to individuals to decide when to buy a particular currency—banks are not prepared to give forecasts of short-term movements in rates.

However, if you decide that the time is right to buy and want to lock in the current exchange rate, you can purchase travellers cheques denominated in the foreign currency. In theory, sellers are free to charge what they like on foreign currency travellers cheques (in practice, about 1.25 per cent in commission) so it is worth shopping around.

Once you have bought foreign travellers cheques, you should get their face value and not be charged any further commission when you change them. However, some banks have had reports from their customers of additional charges levied abroad. NatWest's travel department has come across people who tried to change Spanish travellers cheques issued by a Spanish bank only to find that they were charged up to 3 per cent in commission. (This was later refunded after NatWest made representations on the customers' behalf.

There have also been problems with foreign currency travellers cheques in Italy where tourists have tried to encash cheques issued by one banking group at branches of their rivals. The answer is to change the cheques at branches of the issuing bank and kick up a fuss if they try to charge extra commission.

**It is up to you to decide when to buy a particular currency—banks are not prepared to give forecasts of short-term movements in rates**

One country where travellers cheques denominated in the local currency are indispensible is the U.S. where banks simply are not used to dealing with sterling travellers cheques and as a result offer a bad rate.

If you expect sterling to strengthen against the local currency while you are away, then sterling travellers cheques may be a good idea; however, it means shopping around for the best rates at the banks while you are out there which is not always feasible in remoter regions.

UK banks charge about 1 per cent commission on sterling travellers cheques, while the Leeds Permanent, Leicester, and Bristol & West building societies levy no commission. However, you will have to pay commission when you change the cheques abroad, and Lloyds Bank warns that commissions in Belgium and, to a lesser extent, West Germany, can be high.

**Sara Webb**

Annuities

# Avoiding that raid on your capital

A CENTRAL theme in the investment strategy for the elderly is how to boost income from all available capital resources. For many older people, spending bills can be met only by raiding their capital; and the time-honoured method of converting capital into income is to buy an annuity from a life company.

The concept behind the annuity is straightforward. You pay your investment to the life company and in return get income payments that continue until you die, but then cease.

Annuity rates offered by life companies are based on two main factors—the mortality of annuitants and the net yields companies can secure on medium-term gilts.

People have only the haziest idea of their life expectancy; and while the young rarely consider death, the elderly usually think they have far less time to live than statistics show.

Table 1 shows the life expectancy for people reaching 60 and upwards, and highlights the differences between men and women. Thus, because of the mortality factor annuity rates rise with age at the time of purchase, and are larger for men than women.

As far as the investment yield factor is concerned, it is obvious that the higher the level of interest rates, the higher the annuity rates. But the latter also are affected by the tax position of a life company. One whose annuity fund is in a certain state of imbalance can, for tax reasons, offer higher rates until the imbalance has been corrected.

Intermediaries monitor annuity rates very closely. The highest rates come from companies seeking to attract annuity business because of this imbalance.

The attractions of annuities as sources of high levels of immediate income are overwhelming. Table 2 shows the annuity rates from Abbey Life, a leader in the market. An investment of £10,000 will secure an annual income, payable in half-yearly instalments, of £1,480 gross for a man of 65 or £1,250 gross for a woman aged 60. The corresponding returns net of basic rate tax are £1,244 and £1,014 respectively. No other investment gives such a high net return of income.

This, however, is achieved at the price of losing capital, a point investors need to consider before buying an annuity.

Annuities bought from capital have a slightly tricky tax liability. The annuity payment is divided into two parts and one, regarded as a repayment of capital, is known as the capital content. This is tax free; only the remainder, known as the interest content is taxed.

TABLE 1

LIFE EXPECTANCY OF ANNUITANTS

| Age | Men | Women |
|---|---|---|
| 60 | 18.6 years | 23.2 years |
| 65 | 15.1 years | 19.1 years |
| 70 | 11.9 years | 15.3 years |
| 75 | 9.2 years | 11.8 years |

Source: a(90).

Life companies normally pay annuities net of basic rate tax, the investor accounting separately to the Revenue for higher rate tax liability. For those investors not paying tax, the company can pay annuities gross provided the correct form is completed.

There are, however, other considerations to be borne in mind before investing in an annuity. Again, two factors have to be considered—mortality and inflation.

Companies calculate annuity rates on the overall mortality pattern, based on averages. The surplus from annuitants who die early covers the mounting expenditure on annuitants who live into their 90s.

If you take out a simple level annuity where the payments stop on death, then you risk foregoing capital for one or two annuity payments in the event of early death. With this type of annuity, the investor literally is gambling on living a long time.

The potential capital loss can be mitigated or avoided, either by taking an annuity where payments are guaranteed for a minimum number of years or by taking a capital protected annuity under which the balance (if any) of the capital outlay over the gross annuity payments is returned on death.

The price for this protection is lower annuity payments (as seen from the table).

The other factor is inflation. Annuities are fixed interest investments. A level annuity is fixed in money terms so its value is eroded by inflation. This can be mitigated by taking a lower initial annuity where payments increase by a fixed amount each year or by an index-linked annuity.

hTe latter, while giving protection against inflation, is treated rather badly by the Revenue for tax purposes in that the capital content does not rise with inflation.

Couples—husband and wife, or relatives living under the same roof—can take annuities on a last survivor basis where payments continue until both partners have died. The rates will be lower than for single persons because, on average, payments will continue for a longer period.

If annuities are bought from the proceeds of a pension contract, then the annuity rates are slightly different and the annuity is taxed as earned income.

**Eric Short**

TABLE 2

Annuity bought with an investment of £10,000

| | Man aged 65 Gross £ | Man aged 65 Net at 30% £ | Woman aged 60 Gross £ | Woman aged 60 Net £ |
|---|---|---|---|---|
| Level annuity | 1,480 | 1,244 | 1,250 | 1,014 |
| Level guaranteed: 5 years | 1,438 | 1,211 | 1,241 | 1,007 |
| 10 years | 1,353 | 1,138 | 1,219 | 989 |
| 15 years | 1,273 | 1,059 | 1,193 | 965 |
| Annuity increasing by 5¼ per cent per annum | 1,108 | 904 | 867 | 676 |
| Indexed rising every year† | 848 | 802 | 619 | 572 |
| Indexed rising every 3rd year† | 888 | 830 | 649 | 593 |
| Indexed rising every 5th year† | 926 | 857 | 678 | 613 |
| Capital protected | 1,366 | 1,165 | | |
| Indexed capital protected† | 736 | 724 | | |

† First year payment

Source: Abbey Life

# Why the lived-in look is in big demand

HOUSES and flats that contain personal possessions are most in demand for family rentals. People want the lived-in look of a real home rather than a highly interior-decorated accommodation, say agents in the flourishing furnished letting business.

"But there is always a shortage of these 'owners own home' rentings," says Victoria Fenwick, who runs Aylesfords of Kings Road renting side.

But does not the thought of heat marks on their dining-table, wine stains on the Wilton, and finger-marks on fresh paintwork put owners off?

The better the property is kept, the better it will be looked after, re-assures Pamela Barend, director of Anscombe and Ringland's letting departments in St John's Wood and Kensington.

"In seven years it is remarkable how few instances of bad tenants there have been," confirms Jennifer Rudnay of Keith Cardale Groves.

Robert Orr-Ewing in Chelsea also finds that tenants have a great respect for other people's belongings. He practised as a barrister for six years before setting up Orr-Ewing Associates, letting specialists with legal expertise, about 2½ years ago.

"Any dilapidations claimed so far have amounted to under £100," says Orr-Ewing, "and for such minor things as cleaning a carpet, repolishing some furniture, and replacing the odd broken cup. All normal casualties of everyday living, and more than adequately covered by the usual deposit taken, which is the equivalent of a month's rent."

On a minimum of a year's tenancy agreement, Orr-Ewing offer a free legal service. This is not only to cover any serious damage, but any legal action which has to be taken to get a tenant out.

All legal expenses up to £10,000, which are incurred in any dispute with a tenant, are provided. The firm arranges for its clients to be represented in court, and that the court judgement is enforced. The service is only available if the landlord is an owner-occupier who intends to come back and live in the property, which has to have a ratable value in Greater London of over £1,500, and elsewhere of over £750. And the place has to be let to a company.

The only case has been over a tenant who moved on owing £1,300 rent. The money was recovered.

Most agents charge a commission of 10 per cent plus VAT on the gross rental for the full term. This is for introducing a suitable tenant, taking up references, drawing up an agreement, taking a deposit and collecting the rent. For a full management service — keeping a regular eye on the place and dealing with urgent repairs — you need to add 5 per cent.

What sort of rent can you expect? With companies allocating more generous accommodation allowances, sights are being set higher, says Victoria Fenwick. "A single person in their late 20's will be looking in the £260- to £310-a-week bracket. An older member of staff can spend £850 to £1,000 a week."

For short-term lets, Beauchamp Estates' Chelsea offices report a record level of demand for top-notch London houses. In the summer these have been commanding £2,000 to £5,000 a week, while two inter-communicating penthouses in Westminster were let in June for three months for a staggering weekly cost of £7,000 to Middle East visitors.

Although the Syrian Embassy episode caused a hiatus in diplomat appeal, Townchoice, who specialises in this market from their Church Road, Wimbledon, and New Kings Road offices, say that, for them, it never faltered.

"We have a long and happy relationship with many embassies, and find that on the whole they look after a property well," says Townchoice principal Renata Belchamber. "And this market is such a good investment as embassies rent properties for three to five years. They do not like having to move on their diplomats once they have settled. So this is an ideal let ensuring a good return over a decent period of time while the property appreciates.

"In Wimbledon, Kingston, Richmond and Fulham areas you can expect rents of up to £350 to £400 a week, if the living-rooms are large enough for entertaining in. Most rooms need to be well-proportioned, as diplomats usually bring their furniture with them, and it tends to be heavier and larger than ours."

The Association of Residential Letting Agents (ARLA), Dorville House, 14 John Princes Street, W.1, will supply a list of its near 50 members spread through Central London, with some in Marlow, St Albans and Brighton.

ARLA treasurer Sam Lipfriend, of Lipfriend and Company, 48, Albermarle Street, W.1, says the agents got together to pool their knowledge on what has become a complex operation. "We constantly monitor Rent Act problems, investment returns and tax liabilities as well as keeping in touch with rental values."

Lipfriend concentrate on top quality, four-bedroom, two-bathroom detached houses in the best roads in East Finchley, which rent at £400 a week unfurnished, more if they are kitted out. And in Cobham, Surrey, close to the American School, a large house at £325 a week becomes vacant on Wednesday when the American Embassy official now occupying it goes home.

As a rough guide to average furnished rents in Central London, the Association gives the following, and a caution that a fixed figure cannot be given as much depends on the location, condition and contents of the property:

- Belgravia, Knightsbridge, Mayfair: Central and expensive. Embassy area. Excellent shopping, elegant garden squares, quiet mews streets, modern high-rise blocks. From £120 to £500-plus.
- Kensington, Chelsea, Hyde Park: Museums, colleges, the King's Road. Modernised "twee" cottages, period terrace houses. Spacious flats in mansion blocks. £110 to £350 a week.
- Holland Park, Bayswater: Genteel decay, cosmopolitan population, good restaurants. Portobello Road market. From £100 to £275 a week.
- St John's Wood, Regent's Park, Hampstead: Elegant, modern living and "millionaires' roads." Character dwellings in Belsize and Hampstead Villages. From £110 to £225 to £650-plus for high quality and larger properties.

George Knight and Partners warns against the growing trend for "buying blind" for investment purposes—taking on a property without having seen it, thinking it will automatically rent well.

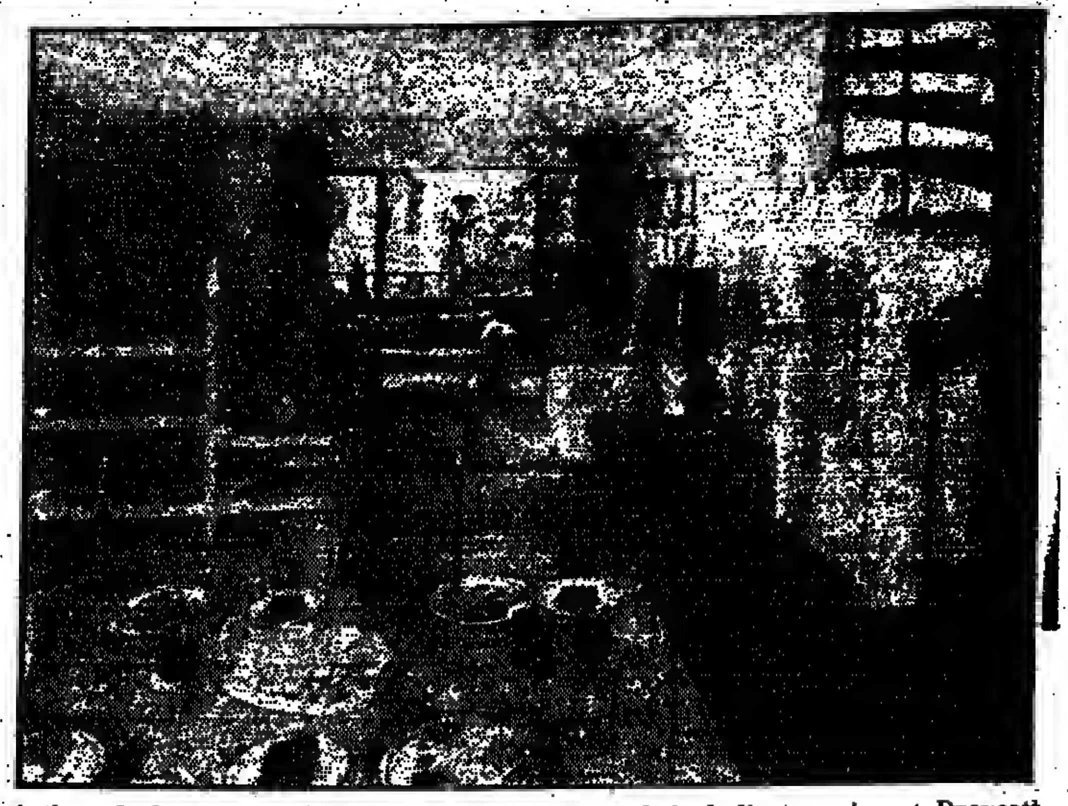
"In many cases prospective landlords, usually expatriates, found the promises made by a selling agent of swiftly arranged lettings with a good return on capital have not materialised," says managing director Mark Broomfield at George Knight's Heath Street, Hampstead office.

"Considerations for buying a property for letting are different to those when choosing a home," he maintain. Location is everything, and a distance of a few hundred yards in London can see wide variations in price for similar properties.

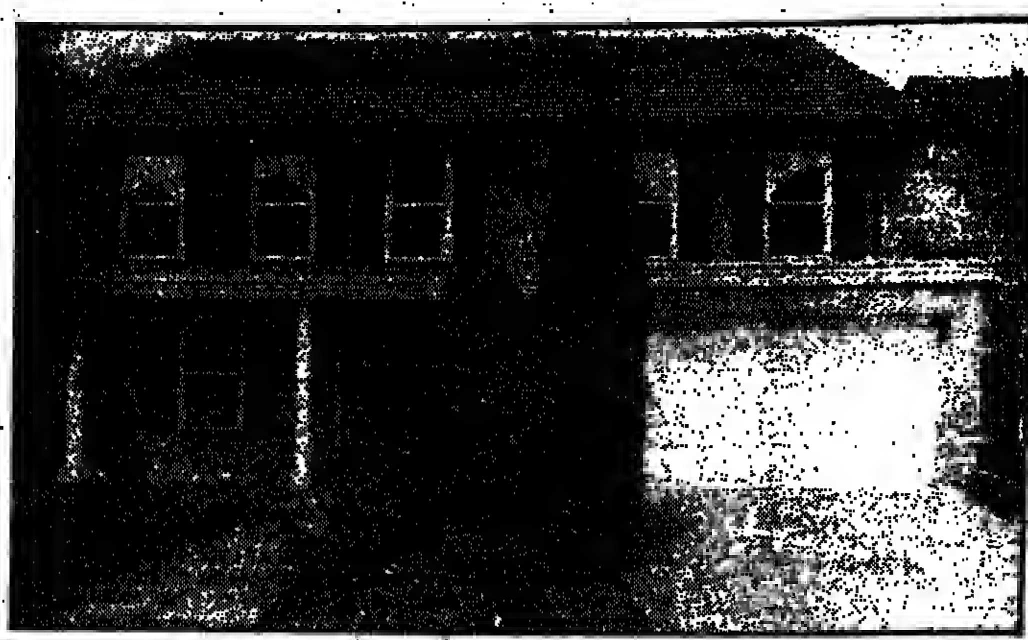
"For instance, property in Crouch End, Tufnell Park and Archway, often euphemistically termed 'the lower slopes of Highgate,' are not areas in which we can let easily. Yet in Highgate Village proper, we are offering Ireton House, an early Georgian family residence, at £500 a week, payable quarterly in advance, with a deposit of £2,500."

In Hampstead Village, Frognal, a 1741-built house, is for rent at £1,200 a week. Or you can buy it outright through Hampton and Sons, and George Knight, for more than £600,000. Part furnished, it has five bedrooms, three bathrooms, a library and a large conservatory.

Furnished three bedroom, two bathroom house in Regents Park, NW1, available for a year at £350 a week through Anscombe & Ringland (01-722 7101)



A three bedroom penthouse rents at £1,025 a week including service at Draycott House, 10 Draycott Avenue, SW3 (01-584 4659)



Part-furnished five bedroom, three bathroom house adjacent Wimbledon Common, ideal for an Embassy, let at £450 a week for a year or longer. Details: Townchoice (01-947 7351)

George Knight's current listings include a small flat in Platts Lane, NW3, and a studio in Leamington Road Villas, W1 at £100 a week. Minimum lets are mainly for six months, and most details state "company let preferred or required," which leaves little for the individuals on their own.

Tips for successful lets:

Before a place is let there should be:

- Thorough inspection of the structure — roof, plumbing, wiring and so on, as well as servicing of central heating and all appliances. Maintenance contracts should be taken out, and guarantee cards and operation manuals left in a prominent place.
- Permission in writing from the head lessor or mortgagee if appropriate.
- Adequate insurance on the bricks, mortar and contents, not only during the tenancy, but cover for when the place is empty.
- Appropriate tools if the tenant is expected to look after the garden.
- An inventory which must include a schedule of condition. (One which does not clearly describe the condition of each item may be insufficient evidence to support a claim for dilapidations.) The landlord pays for the inventory (about £40 to £50); and the check-in (about £30). The check-out, at a similar cost, is borne by the tenant.

**June Field**



شكر من الأصل

# Bargains and best buys in the sky

THERE is a case for believing that it is always night time in the Gulf. It certainly seems to be that way for air travellers.

The airports of the Gulf are stops in the night twixt Europe and the Far East. You approach over deserts with the stars above reflected in the sands below by a host of flaming torches — the surplus gas of 1,000 oil wells burning off into the Arabian air.

In spite of the late hour, the lack of sleep and the comforts of Super Club or its equivalent one particular Gulf stop provokes a rush for the gangways. Dubai has the reputation of being the cheapest major duty-free airport in the world, at least as far as liquor and cigarettes are concerned.

Duty-free shopping is an infection which is difficult to resist. Cool-brained indeed is the traveller who can resist the odd few pence off a litre of Scotch or pounds off perfume if you spend £10 on liquor. We end up carrying tens of the stuff around the globe, pushing up fuel bills and adding to the fire risk should an accident occur.

At the moment the annual spend on duty-free shopping is running at around $2.5bn. A fifth of this goes on cigarettes. Cognac sales alone amount to nearly $200m a year.

The price variations from airport to airport are enormous. Heathrow, one of the world's most interesting shopping centres but also one of the more expensive, charges £8.99 for a litre of Johnnie Walker Black Label. You can buy the same bottle at Sydney, Australia, for £4.87. Although Hamburg will sting you for £9.30, in Luxembourg's tiny duty-free shop the price is only £6.90.

Sydney is something of a bargain at the moment (unless the Australian dollar has zoomed in the few days since this article was prepared). It offers 200 Marlboro cigarettes for £2.85, which compares very favourably with Heathrow's £6.40.

In Europe *aficionados* are now heading for Copenhagen which had something of a revolution in May of this year and ended up with prices being cut by between 30 and 50 per cent.

Once outside the basics of booze and cigarettes, you really have to know what you want and how much you are prepared to pay.

Even the most popular items of perfume, for example, tend to be stocked by fewer than half the duty free shops around the world, and even then the prices are oddly flexible.

Jean Patou's "Joy," the 7.5ml pack, sells for £56 in the glossiest of Knightsbridge locations, all duty and VAT paid. At London's Heathrow they ask £44 and in Hamburg it comes out a £40.57, which is cheaper than Australia's £43.26 but vastly more than Luxembourg's £29.95.

Shopping for a Canon Sureshot camera was an interesting exercise. In the British high street Lasky's, which has a "never knowingly undersold" campaign on at the moment, is offering the Super Sureshot for £108.99. At Heathrow the price of £99.95 makes the airport shop actually dearer for foreigners who can reclaim the 15 per cent VAT. The bargain, again, was Sydney, at £82.

Heathrow proved to be a little better for that business traveller's favourite radio, the Sony ICF7600D, which Lasky's sells for £179.99 but which is on offer at the airport for £155, which just about makes it worth while buying and bringing back and declaring (remember, you are allowed £28 duty and VAT free). There are, however, cheaper places in the world to buy your ICF7600.

The central gathering point for duty free goods information from around the world is a Swedish organisation, Generation Publishing. It prepares huge volumes of annual statistics, but for simpler minds like mine own a rather slimmer (one sheet in fact) monthly list of the main European airports in order of expense.

Taking a full basket of 15 items Amsterdam has consistently been cheapest in recent years, although Copenhagen is hot on its heels now. In Sweden they note wistfully that their own airport, Stockholm, is easily the most expensive in Europe.

There are some parts in the world where bargains can be had, although one sad aspect of travel life these days is that shops are getting dreadfully uniform the world over.

Again my advice would be to decide in advance what you want to buy and find out something about it before you go. Brazil may be a jewel hunter's heaven, but find out about home prices before you get there.

One of my more salutary experiences in recent years was shopping for a camera in both Singapore and Hong Kong and taking with me copies of *The Amateur Photographer* and *The New York Times*, both for their advertised prices.

I could find nowhere that was prepared to undercut the published prices to such an extent that it was worth my while paying the duties on return and not having a shop to return my goods to. By the way, you can get a Canon Super Sureshot for £86.25 (plus tax) in New York at the moment.

One bargain I have frequently found in the East is silk. In Hong Kong I would commend Camberley Enterprises in room 813 at Swire House, Connaught Road on Hong Kong Island. It stocks a wide range of beautifully designed and produced silk wear for women and some for men.

In Thailand you can do a lot worse than go to the Jim Thompson shops. They may seem surprisingly expensive, but if you compare quality and design you will find them much cheaper than the U.S. or European equivalent.

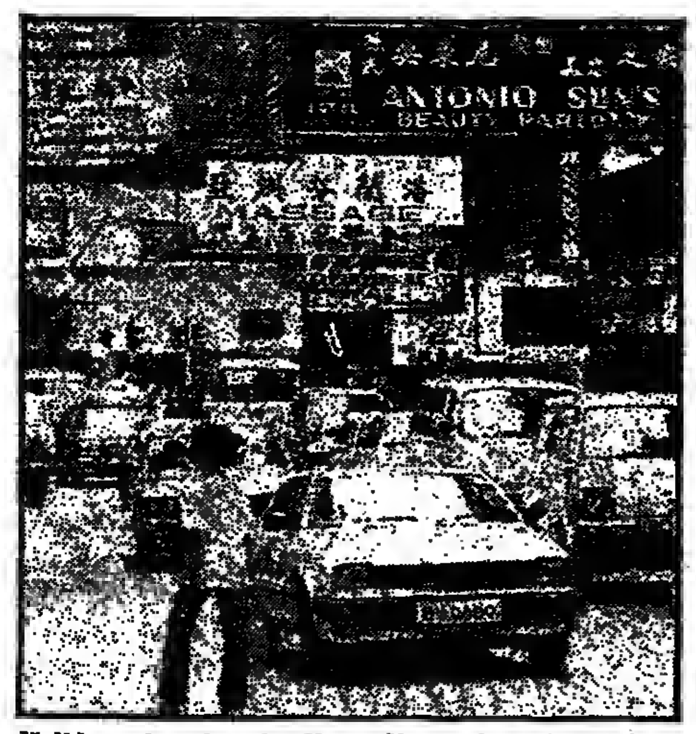
One of the great bargain centres of the East for more basic products, notably down-stuffed outerwear, luggage and inexpensive leisure items (often with pirated names) is Korea. The streets of Itaewon in Seoul form a gold mine of such goods. Seoul is also good for brassware (beware of the weight) and such items as jade and topaz, but you really have to know what you are looking for.

I suppose one lesson I have learned over the years is that for many items the more you are prepared to spend the better bargain you will get. This is certainly the case with carpets and works of art in the Middle East and Asia, with precious stones in Latin America and caviare in Russia.

If you are visiting such places as Russia it is, incidentally, worth checking on London prices even for souvenirs before setting off. The Russian Shop in Holborn has some excellent bargains which may or may not be cheaper than in Moscow at the moment; they have been so in the past.

A weekend or so ago I did some gardening in the pouring rain wearing a large brimmed stetson I had acquired for trail riding in New Mexico. It worked perfectly, keeping the torrents of an English summer at bay, but the howls of abusive laughter it produced drove me eventually to more conventional wear. There are some souvenirs that simply do not travel.

**Arthur Sandles**



Holiday shopping in Hong Kong: bargains galore, but decide in advance, and do some homework

**DUTY FREE**
(Europe's Price League)

| | |
|---|---|
| 100 Amsterdam | 112 Dusseldorf |
| 101 Copenhgn | 113 Zurich |
| 103 Milan | 113 Rimini |
| 105 Madrid | 115 Frankfurt |
| 107 Turin | 118 Hamburg |
| 109 Rome | 129 Vienna |
| 109 Paris | 129 London |
| 110 Basel | 130 Helsinki |
| 110 Brussels | 140 Oslo |
| 110 Zagreb | 132 Stockholm |

Source: Generation Publications, Sweden

The Audi 100 Avant Quattro: sporty practicability

# Spend to multi-purpose effect

### Stuart Marshall goes for a sporty, all-wheel drive in saloon comfort and estate car toughness

THE AUDI AVANT 100 quattro is listed at about £17,500 on the road so it seems absurd to suggest that buying one could save money. But it could, if you have a large saloon in the BMW / Mercedes / Rover 3500 brackets and also keep a Range Rover / Shogun / G-Wagen or similar quality 4x4 mainly to pull a horsebox. It makes the 4x4 redundant.

I have been using a Avant quattro during this saturated apology for a summer and have found it lends new meaning to the term multi-purpose vehicle. On the road, it has a sparkling performance. It leaps from a standstill to 60 mph in a shade over 10 seconds, whether the road is wet or dry, without a squeak from the tyres.

Off the road it cannot compete with a proper high clearance 4x4—but how many people really exploit the go-almost-anywhere capability of their Range Rovers and the like?

Judging the owners I know, very few. They buy them for the traction that lets them pull heavy trailers and for the load space that copes with hay bales. An excursion across a muddy paddock or racecourse car park is about the full extent of their off-roading.

When I call the Audi 100 quattro, a multi-purpose car, I mean it will double as a long *distance touring saloon*, as a big estate in the Peugeot 505/Volvo 245/Citroen Safari class or as a towing vehicle that will handle a two-horse trailer in hilly country.

From past experience I knew its all-wheel drive adds a new dimension to motoring in severe weather. Halving the power a 60 series tyre is asked to put on a slithery surface seems to double its grip. And having twice the number of driving wheels quadruples the overall traction. Instead of tip-toeing along, fearful that the first hill will bring you to a wheel-spinning halt, a quattro just *keeps going*. Snow, ice or mud makes no difference.

Audi says the top speed of the 100 quattro is 124 mph and would not argue with that, having driven similar cars before on the autobahn. At an indicated 90 mph, the 5-cylinder, 2.2 litre engine is turning over at almost 4,000 rpm without raising its voice and 3,000 rpm equals 70 mph in fifth. The tachometer is red-lined at 6,150 rpm but there is no need to go near those revolutions because maximum torque (pulling power) is developed at 3,500 rpm.

The gearing is a sensible compromise between flexibility (the 100 Quattro will trickle along in traffic at 30 mph in fifth) and economy (my 27 mpg reflects some hundreds of motorway miles, plus short rural and urban runs). The tank holds 17.6 gallons, giving a safe cruising range of over 400 miles and the feeling of security one gets from all-wheel drive and ABS brakes, grows as road conditions worsen.

In pouring rain, sharing the 136 bhp among four wheels makes for exceptionally well-balanced driving. On a blustery, rainswept motorway the quattro runs dead straight. Off the motorway it sweeps round bends quickly, without trying to plough straight on, as it would if only front-wheel driven, or throw its tail out, as a powerful, rear-drive car might.

There is just the right amount of power assistance to take the effort out of steering at low speeds, or when parking, but not so much that you have no idea what kind of road you are driving on. The ride is firm, but the long wheelbase practically eliminates pitching over undulations. The ultra-low profile tyres (Dunlop D8 on my test car) thump moderately over cat's eyes and drain covers, but coarsely textured surfaces create a lot of rumble. This is a characteristic of all Audis, more noticeable because the 100 quattro is otherwise quiet.

The aerodynamic shaping looks elegant and gives it an unusually favourable drag rating. That helps *fuel* economy and produces minimal wind noise. During fine spells the large and acutely sloping front and rear screens draw the sun's heat. In really hot weather I doubt that the ventilation system would be powerful enough. Even with the fan going full blast, I found there was not enough cool air coming into the car.

At speed the rear window *keeps clean during wet weather*, but a wash/wipe is there to clear away raindrops. You need it before backing up a drive when the lower edge of the back window is high enough to obstruct visibility.

The back seat takes three people or, folded down, extends the load platform to more than 6 ft *long*. There is a large secret compartment under the platform. It looks as if it would hold at least a dozen bottles of wine, but I am sure HM Customs must know all about it.

Audi perceives the typical quattro buyer as being sporting, so it has given the front seats big bolsters to wedge the hips in place during hard cornering. They work, but make it awkward to slide into the car because the cloth trim is so grippy. *Leather trim*, which would ease the problem, is a costly extra (almost £975), but the 100 quattro is comprehensively equipped. Alloy wheels, electric sunroof, windows and twin exterior mirrors and ABS brakes are fitted as standard. Air conditioning costs no less than £1,340.

At present, the Avant with permanent four-wheel drive has no competitor as a load-carrying businessman's transcontinental cruiser, with enough traction to let it go off-road without getting stuck. But one is not far off. Ford will introduce 4 x 4 Granada (Scorpio) at Frankfurt next month.

It will have similar transmission to the Cierra XR4x4i, which splits the drive one-third to the front wheels, two-thirds to the rear—the Audi quattro system makes a 50:50 split. Although a hatchback, the Granada 4 x 4 will not have the same ability to swallow bulky objects as the Audi Avant, but its V6 engine will be of larger capacity.

*The price will not be known* for some time but it could be well below the Audi's if the XR4x4i's £11,500 tag is anything to go by.

Second-hand books

# Books do furnish a stall

KARL PHILIPP Moritz, who wrote his impressions of England in 1782, was amazed at the appreciation of literature which he found everywhere he went. Books, he noted, were far more plentiful than in Germany, and they were read by a wider spectrum of society. Even the landlady of his lodgings professed a deep love of Milton; her knowledge of poetry had been, she told him, the feature which first caught the attention of her late bushand.

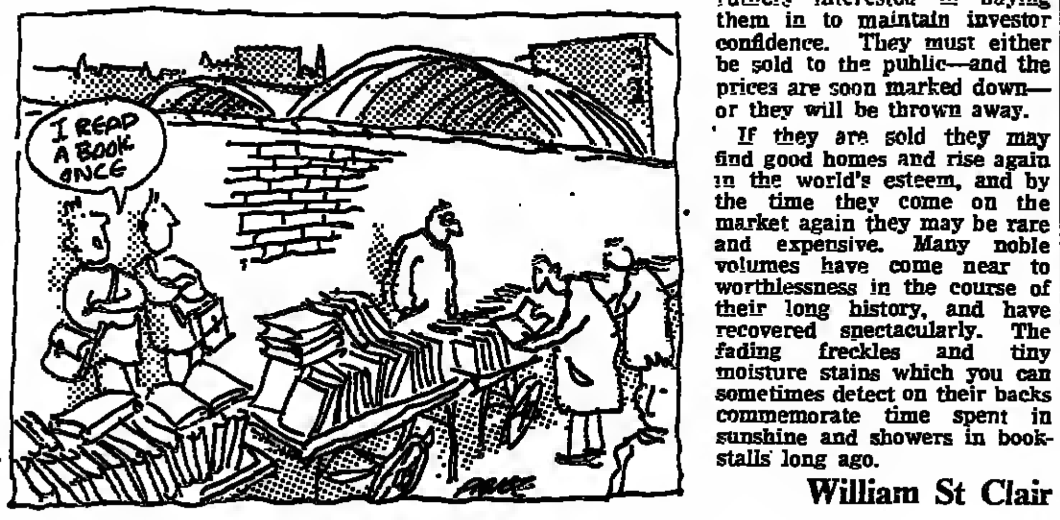
This happy state of affairs, Moritz believed, was largely due to the existence of bookstalls. Unlike the Germans, the English could buy second-hand books for a few pence each, and their state of civilisation was higher as a result.

Since Moritz, the prices have gone up, but the relativities are not much changed. A perfectly acceptable copy of, say, the poetical works of Keats can be purchased for the equivalent of two pints of beer. It can be consumed in unlimited quantities with similar intoxicating effects and less danger to health. Volumes of the *Everyman's Library* or of the *World Classics* series are plentiful at prices well below those of their new equivalents, whose paper, printing, and binding are all markedly inferior. For the cost of a single publicly-subsidised seat at an indifferent foreign opera, you can amass a small library of the greatest novels in English literature, some of which take a month to read.

In Moritz's day, the main bookstall area in London was Holborn, but with the coming of the viaduct, the stalls moved up to the Farringdon Road where a few still remain. There are others, also in the open air, operating mainly at weekends, in Piccadilly and at the South Bank as well as in the markets at the Portobello Road, Camden Lock, and Islington.

At Covent Garden the Jubilee Hall is now open on the first Sunday of every month (10-7) for a sale of "Old Printeds." The next sale will be on September 1. Several dozen stalls offer not only books but maps, prints, postcards, magazines and theatre programmes.

At Farringdon Road on Saturday mornings, at 9.30, a famous book ritual is enacted in the open air. That is the time when new stock obtained by wholesalers is first put on sale to dealers in the retail trade. Books just arrived from cleared houses are piled high on the covered barrows, and others are dumped on the pavement. Dealers stand patiently shoulder to shoulder; Heaven help anyone who dares to peep under the tarpaulin or touch a book before the signal. Suddenly, the veil is lifted. There is a flurry of elbows and in five minutes the good stuff has all disappeared or is being re-offered at a higher price. It is like the Stock Exchange on a privatisation day.




Nearby is another barrow crammed with other books which nobody bothers to look at. These are the stock which have failed to sell when first uncovered, and at this end of the market there is no Carruthers interested in buying them in to maintain investor confidence. They must either be sold to the public—and the prices are soon marked down—or they will be thrown away.

If they are sold they may find good homes and rise again in the world's esteem, and by the time they come on the market again they may be rare and expensive. Many noble volumes have come near to worthlessness in the course of their long history, and have recovered spectacularly. The fading freckles and tiny moisture stains which you can sometimes detect on their backs commemorate time spent in sunshine and showers in bookstalls long ago.

**William St Clair**

Collecting

# I see seashells

"I SIT and *wonder* at myself for being able to be so carried away with excitement and delight ever *finding* and *tracing a seaweed!*" wrote Mrs Gatty (1809-73) to her son.

The daughter of Dr Scott, Lord Nelson's chaplain, Mrs Gatty was a clergyman's wife, successful author of children's stories, founder and editor of *Aunt Judy's Magazine*, naturalist of repute, and a friend of Lord Tennyson.

After the birth of her seventh child she was sent to recuperate by the seaside at Hastings. Here she discovered the attraction of algology, which her granddaughter Christabel Maxwell documented in detail in *Mrs Gatty and Mrs Ewing*, 1949.

In 1863, Mrs Gatty's *The History of British Seaweeds* was published. It was a scholarly work which not only set out *Rules for the Preserving and Laying-out of Seaweeds*, but gave advice on what Victorian women should wear when indulging in the fashionable pastime of shore-collecting.

The seaweeds were brought home and dried, and perhaps formed into a floral arrangement on board or paper, framed as a picture, or made into a seaweed "album." Mrs Gatty made albums for charity, and one went by special Royal request to Queen Victoria.

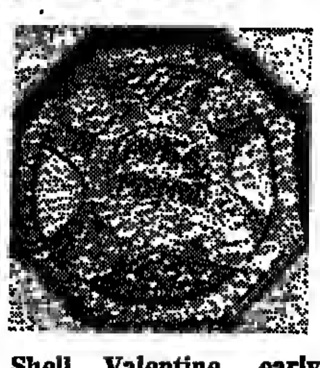
The 1852 *Lady's Newspaper* showed how they were made, referring to "a fanciful and very elaborate book, the binding of which is composed of two large, fan-formed shells, enclosing leaves whereon seaweed is secured."

Collecting shells was an older pastime. That indefatigable crafts person of the Georgian period, Mrs Mary Delany (1700-1788), recorded in her memoirs that she was "running wild after shells," which she was going to arrange in a cabinet, and cover two large vases for the garden.

Ornate groupings of shells were made into "blooms," or decorated whole grottos. Popular in the early 1800's were shell Valentines. They were probably made commercially in the West Indies for sailors to take home as gifts for their wives or sweethearts.

Another sea-orientated curiosity was the sand painting, which flourished in the 18th century through the work of talented immigrant confectioners employed as "table deckers" at the court of George III.

One table decker was a German, Benjamin Zobel, who studied portrait painting. He made decorations of coloured sugar, powdered glass, marble



**Shell Valentine, early 19th century, in the City of Sheffield Museum**

dust, and eventually, coloured sands. All these were laid out in a design on a cloth, tray or board, and swept away after the party was over. The story goes that it was the King who suggested something should done about fixing the work.

Eventually, a scene was drawn on stout millboard, treated with an adhesive substance on which coloured sand or marble dust was scatered. A tricky operation, as the flow of sand had to be controlled to cover one exact spot on a small surface. The subjects chosen for illustration — castles, battle, biblical and farmyard scenes — were often copies of works already painted by artists such as George Morland, Benjamin West and George Stubbs.

In the mid-19th century, some simple sand pictures were done by a group of Isle of Wight artists using the unusual sands of Alum Bay, ranging from pale yellow to deep gold, dark green to rich olive. Artists' names to look for are Edwin Doré and J. Neat of Newport, and R. J. Snow of Lake, near Sandown. Also made were sand "bells," small curved glass containers filled with layers of different coloured sands, some of which formed views of Needles Rock or Alum Chine.

John Baddely of the collectors' department at Sotherby's predicts an interesting future for this "under-rated, often unrecognised work which is really rather exciting."

In Sothby's English Naive Art sale on July 17, two sand paintings of pigs and sheep went for £770 the pair. Malletts of New Bond Street have just sold a pair of shell flower arrangements under glass, for a four-figure sum, and sailor's Valentines come up periodically at Christies, South Kensington, for up to £500 or so. Isle of Wight sand pictures can be found tucked away in out-of-town antique shops and markets, priced at a few pounds. Sand bells are rarer.

**June Field**

Gardening

# Private people who pursue perfection

I GET a great deal of pleasure visiting the national shows of the specialist flower societies, which attract some of the best amateur gardeners in the country. Have you ever marvelled at the perfection of the begonias exhibited every year by Blackmore and Langdon at Chelsea and other shows? If so, you might imagine that nothing superior could be grown—until you saw plants exhibited by amateurs at the Begonia Society's shows.

Recently in London, at the Royal Horticultural Society's old hall in Vincent Square, I marvelled at an enormous plant of the pink begonia Sugar Candy grown by Mr R. G. Hopkins in the tiny village of Silchester, south of Reading. I have no idea what size greenhouse Mr Hopkins has or whether, perhaps, he uses a conservatory or a glazed house extension, but he certainly has mastered the art of producing mammoth begonias.

Most of the flowers on Sugar Candy were from six to eight inches across; I started to count them but got lost at around 20. He had several more plants just about as good.

On the other side of the show bench, Mr B. Simmonds was exhibiting some more beauties. These included Tahiti; its frilly orange flowers, though not quite as big as those of Sugar Candy, were even more numerous. I counted to 30 before giving up.

That same day, the hall was being shared by the Fuchsia Society, which must be one of the most successful of all these pot plant groups. Entries seem to get better and more numerous every year although the exhibitors are just ordinary people growing plants for the love of it.

Some of them seem to guard their privacy even more jealously than the begonia fans: Mr L. Hodges, who won the Coronation Cup for the best fuchsia in the show, described himself simply as from Berkshire. His plant was a standard of the variety Barbara and it was the biggest fuchsia I can recall trained in this form, although I have seen much larger ones climbing up conservatory pillars.

But those would not have been portable: and even Barabara must have given Mr Hodges some transport problems, for it had a tree-like main stem some four feet high with an immense head of branches on top about six feet across. This was covered in perfect salmon and rose flowers.

I have no doubt that Messrs Hopkins, Simmons and Hodges each has his own special methods, and perhaps some of them are closely guarded secrets. Each certainly has perfected the compost in which to grow the plants, knows just how and when to feed and rest them, how to strike cuttings and train growths, and when to pinch or prune.

In winter, begonia tubers can be stored dry indoors: in March or April, they can be bedded close together in moist peat and started into growth in ordinary room temperature. Only when they begin to make leaves will it be necessary to pot them individually and keep them in a light, moderately warm place; by then, the sun will be providing a lot of this warmth.

Most fuchsias are nearly hardy, some varieties fully so, and if plants are allowed to drop their leaves in the autumn they can be kept almost dry with little or no artificial heat.

For the rest, it is a matter of using a good potting compost, soil or peat based; watering regularly in spring and summer while plants are growing; feeding sensibly but not excessively; and keeping a watchful eye for greenflies, capsid bugs, white flies, red spider mites, mildew and grey mould, for all of which there are simple and safe remedies.

**Arthur Hellyer**

# BRIDGE

ANOTHER work by Jeremy Flint and Freddie North, Bridge: The Golden Principles is available in Pan Books at £2.50. Like The First Principle it deals with dummy play and defence. The 100 hands are instructive and clearly explained.

We look first at safety play:

N
♠ 8 4 2
♥ 9
♦ A Q 8 7
♣ A K 7 4 2

W
♠ K
♥ K Q 10 5 3
♦ 6 4 2
♣ J 10 9 8

E
♠ J 10 9 7
♥ A 7 6 4 2
♦ 10 9
♣ 6 5

S
♠ A Q 6 5 3
♥ J 8
♦ K J 5 3
♣ Q 3

With East-West vulnerable, South deals and opens with one spade, North replies with two clubs, and South rebids two diamonds. North now says two hearts — this is Forth Suit Forcing. It promises no strength in the suit named, but asks partner to describe his hand further. South can only say two spades, but North, reassured by the knowledge that South has five spades, jumps to four spades.

West leads the heart King, then switches to the Knave of clubs. How should South play? The declarer has lost one heart trick, but there are no losers in the minor suits. Therefore, if he restricts his losers in spades to two, he will bring home his contract. He wins the club Knave in hand, and cashes the Ace of spades. This is a safety play against a possible singleton King in the West hand. When the King drops, South ruffs a heart on the table and returns a spade to his Queen. East will make two trump tricks, but there is no further joy for the defence.

If South leads a spade from the table and finesses the Queen — and this is what the average player does daily — the defence will make three trumps, and defeat the contract. If West plays a low card on the Ace, South ruffs a heart in dummy, and returns a spade to his Queen. We turn to defence and study Subtle Signal:

N
♠ A Q
♥ 9 6 3
♦ A Q J 10
♣ A Q J 10

W
♠ 6 4 2
♥ A K J 10 8
♦ 9 8 7
♣ 9 8

E
♠ K 3
♥ 7 5 2
♦ K 6 4 2
♣ 6 5 4 3

S
♠ J 10 9 8 7 5
♥ Q 4
♦ 5 3
♣ K 7 3

At love all North deals and bids two no trumps — some purists object to the unguarded heart suit, but most experts would opt for this opening bid. South jumps to four spades, showing that he has no slam aspirations, and that concludes the auction.

West starts with the Ace of hearts, on which his partner drops the two, and continues with the King. This time East drops the seven, and the Queen falls from the declarer. West asks himself, where is the five of hearts? East would have petered with a doubleton, so he holds the heart five, and his play of the seven is asking for a switch to diamonds, the higher of the minor suits.

Obediently West leads the diamond nine, the declarer must try the finesse. East takes with his King, and waits happily to defeat the contract with his trump King. Without this vital information, West might lead a club, which would be fatal. The declarer would win, cash the Ace of spades, and follow with the Queen. East can win, but now the polls are closed for the defence—South's diamond loser goes away on the fourth club.

**E. P. C. Cotter**

Bearded Roger Mansfield teaches Francis Hodgson the basics of surfing on Westgate beach at Newquay

Starting from Scratch: Surfing

# Hawaii-on-sea rides a boomer

THIS WEEK the Fosters Surf Masters has been taking place in Newquay, Cornwall. The competition, which comes to its head-to-head climax tomorrow, is the high point of the English surfing year.

Until recently, that high point would have been a secret rendezvous for a handful of die-hards, popularly assumed to be relics of the Me Decade, the last survivors of Tom Wolfe's Pump House Gang grinding their youth into middle age.

Not any more. Surfing has changed, and the Fosters, with its £20,250 prize fund and heavily sponsored surfers, is only the crest of the wave.

I enrolled into the Offshore Surfing School in Newquay to find out more.

The Offshore Surfing School turned out to be an ancient Volkswagen Combi with half a dozen surf-boards strapped to its roof, and Roger Mansfield. Mansfield was the British junior surfing champion in 1971, a protege of the grand old man of British surfing, Bill Bailey. He is the kind of man who will dive across a room to grab an atlas to point out exactly which spot on the coast of Liberia had such memorable surf. He also happens to be a naturally gifted teacher.

His lessons turned out to be simplicity itself: his small class are driven to a hire-shop to be kitted out in wet-suits (very necessary in England, even in August, but surprisingly easy to get accustomed to) and then to the beach.

Mansfield explains the basics calmly and without obfuscating jargon: "If you get into difficuties, put up your arm and shout Help!" For half an hour he talks, progressing from the board itself, to how you paddle it out to where the waves are breaking, and how to stand up. He gets us to practise a few moves on the beach, which makes us feel slightly ridiculous lying down in a wet-suit and pretending to swim some 30 yards from the water's edge.

He demonstrates without condescension, making it look not easy but attainable. We begin to think we will be able to do it; perhaps there is nothing more than these common-sense guidelines.

Inevitably, it becomes more difficult once you get into the water. Paddling, the business of lying face-down on the board and propelling yourself out to sea, is as tiring as it looks. It takes very little time to understand how surfers get those huge shoulder muscles. Paddling out through waves inescapably involves swallowing sea-water until you learn to time your breathing with the arrival of the waves.

The most difficult thing of all is getting to your feet on the board. A wave will pass underneath you and not take you along if you try to ride it without any forward momentum of your own. So when you see your chosen wave coming, you must paddle furiously to match your speed to it. When you feel it lifting you along, you must leap up from the board. In theory, this involves doing a sinewy press-up and landing planted firmly in the middle of the board. More often, an undignified scramble is punished by an unceremonious ducking, and a weary paddle back to the the break.

However, Mansfield insists, once you have learnt what you are doing wrong, and how it should feel when it is right, the rest comes easily with practice.

I went down the coast to watch the juniors competing in a local competition, the Cornish and Open. The surf was too slight for the heavier seniors, but the young surfers performed miracles on waves no more than 18 inches high, and waves, what is more, roughened by an offshore wind. (Surfers like a stiff offshore breeze: it flattens the fronts of the waves and whips their spray behind them so that they can see what they are doing.)

It became apparent that good surfers are more than strong swimmers with a sense of balance. They have an uncanny knack for picking the right wave, a knack which, I suspect, cannot be learned. Surfing competitions are judged on a system where a number of things contribute to the marks: number and difficulty of the manoeuvres attempted, style, even the length of the ride on each wave. They are, as a result, great fun to watch, because even an inexperienced eye can pick out the jockeying for position, and appreciate, perhaps a touch enviously, the grace of the surfers.

This attraction of surfing competitions goes some way to explaining the miniature boom which surfing is enjoying in this country. Clearly some of the holiday-makers who have crowded Fistral Beach in Newquay to watch the Fosters will be tempted to try it themselves.

Surfing also benefits from the current enthusiasm for non-team, non-ball-game sports. As hang-gliding, mountain hikes, and skateboarding have proved themselves to be more than just passing fads, so surfing, like them, is beginning to be seen as an enormously popular leisure activity which is crowned by the professional surfers and their highly competitive circuit, but by no mean limited to them. As Mansfield put it: "Surfing does not really fit into the Olympic mould. After all, you spend as much time lying on the beach as you want."

And lying on the beach is what we used to think it was all about. But idleness is no longer so firmly wedded to leisure. Action holidays of one sort and anther seem to be here to stay. Beach holidays now tend to be windsurfing or sailing or parascending holidays rather than a fat paperback and pints of suntan oil. This change has been good for surfing, and people within the surfing world haev encouraged and welcomed it. As the public have begun to be interested, so television and the sponsorship that goes with it have come hurrying along to see what is in it for them.

Surfers tend to tell you that one either gets the bug, fast, or one is immune. If the speed at which I caught it is a reliable measure, there are going to be large numbers of enthusiastic surfers in this country very soon.

Surfing was seen in Tahiti and described by Captain Cook in his journals of 1777 and 1778, and he insists that what he saw was a pastime not connected with work in any way. He even transcribed some of the earliest known surfing jargon: *paphe'enalu*, from *he'e* meaning to slip or slide, and *nalu* meaning wave. But surfing was banned from Tahiti by missionaries brim-full of disapproval in 1821.

The founder of 20th century surfing was Duke Paoa Kahanamoku, the great Hawaiian swimmer who won the Olympic 100 metres freestyle in 1912 and 1920, and was runner-up to Weissmuller in 1924. Kahanamoku travelled the world with his surfboards, long, unweildy, heavy things, leaving one behind wherever he thought surfing might implant itself. To him goes the honour of founding Australian surfing. Newquay people will tell you that there is a Kahanamoku board rotting in a garage somewhere in Newquay, but I was unable to find it.

In the early 1960s, Bill Bailey was already making (the correct verb is "shaping") boards in Newquay, and his stable of young surfers included Roger Mansfield and Chris Jones, who went on to win the European title.

**Francis Hodgson**

## COSTS

WHEN surfers get together, they can talk for hours about the differences between pieces of equipment. The number and shape of the fins at the back of the board, its configuration, the type of wet-suit—all make appreciable variations to experienced surfers.

The beginner need not concern himself with these refinements. He should start on a board longer than the ultra-manoeuvrable ones now in fashion, just to make his life a little easier. It should have a leash, a flexible cord that he attaches to his rear ankle to prevent the board disappearing over the horizon when he falls off. And his wet-suit should be a good, close fit or it will not keep him warm.

Boards are custom-made according to the surfer's requirements at prices ranging around £200. Beginners should hire boards (at a few pounds an hour) until they know what they need.

The British Surfing Association publishes a Guide to Surfing in Britain, available from the BSA, G5 Burrows Chambers, East Burrows Road, Swansea, West Glam., SA1 1RF (0792 461476). The BSA also runs classes on the Gower Peninsula.

But for those wanting to go to the capital of English surfing, the Offshore Surfing School in Newquay costs £21 per day including use of wet-suit and surfboard. Ring 06373 77083 for more information.

In the few weeks of the high season, it can be difficult to find somewhere to stay in Newquay. The town's Tourist Information Office is helpful and its number is 06373 71345.

Country Notes

# Game and first set to Mother Nature

ABOUT 35 years ago, during an unaccustomed flush of farming prosperity, we laid down a tennis court. The ostensible reason was that it would form a centre to which our adolescent children would attract their friends and so pass these dangerous years pursuing healthy sports.

Unforunetely, the great majority of our offspring are boys and, once they got to the bicycling and car-driving years, the last thing they seemed to want to do was stay around home. They spent their time on tennis courts belonging to other people—and their daughters.

So, the court languished untended. It has now become my own special conservation area and perhaps an example of what our cities would become if ever. The bomb wiped out civilisation. After about five years of non-use, some ominous bulges appeared in the surface. These developed into thistles; the seed must have lain beneath the tarmac for years. This is rather interesting, because there is a theory among farmers that thistles are impossible to grow from seed.

At least, that was the defence we used to give the officers employed pre-war by the county council who tried to make us destroy the noxious weeds. I believe the statute under which they were appointed still exists. But, as anyone using a motorway can testify, their writ does not run on those council properties, which now are the breeding ground for every weed known to botany.

The thistles were joined by the common weed grasses (particularly Yorkshire Fog), more thistles, nettles, ragwort, willow herb and docks, all of which seem to have found rooting space in the asphalt. I suppose I should clear the court away and turn it back to being part of the field. But the base remains; and if one of my successors should want a court, the weeds could be sprayed off and the whole thing resurfaced.

Now, there is a new development. A number of bushes and saplings are appearing: hawthorns, obviously from berries passed out by the birds; elms, probably wych elms from the hedge; ash and oak. These are becoming firmly established. No doubt they germinated in the residues of the weeds on the surface, but they must be pushing their roots down through the tarmac and hardcore. There also are laburnums, escapees from the garden.

The blackberries are taking over one corner and, among


them, I found the remains of a pheasant's nest. A rabbit is often seen hopping around, and the local marauding cat seldom comes away from there without a fledgling or baby rabbit. I am rather proud of this effort—or, rather, lack of effort—on my part. Particularly because some of my neighbours in an access of conscience for having destroyed so much of the environment in the interests of modern farming, are ostentatiously planting odd corners of their farms with broad leaved trees and other plants, often not native to the area.

I tried to do this at one time, but reproducing nature artificially is hard work. If you plant trees, many probably will be in the wrong places. They will become smothered by weeds or they will be gnawed by rabbits and hares. Of course, you can protect them with strips of plastic, but how natural is that?

What my tennis court is demonstrating, in no uncertain fashion, is the old truth that nature abhors vacuum and will fill it with those plants most suited to the local environment. All you need for such an area is to keep the sheep and other grazing animals out and the patience to await results, which are evident after a very few years.

I am sure my successors, whoever they are, will spend many happy hours watching the conflict for dominance between the different species of plants. My guess is that the oak and the blackberry will triumph, one aloft and the other on the ground. But it will take a century or two to find out.

**John Cherrington**

# Social message in a bottle

**Sales have quadrupled in five years as bottled water has become not a fluid but an idea. David Sexton looks at how the miracle of marketing turned the water into wine**

PERRIER costs more than petrol—47p a bottle at Sainsbury's, making 4-star a snip at 45p a litre. Mineral water is a big and booming business: Britons bought 80m litres last year, four times as much as five years before, over 20 times more than 10 years ago.

In 1974, the Financial Times surveyed the bottled water market and decided "cranks and foreigners" were the only customers. Now, Perrier on the table is a virtual guarantee of being in the presence of the urbanely well-to-do. The princely American merchant banks keep it flowing freely in the corridors; serried ranks of pub-size stubbies are the only sign of luxury at the notorious Private Eye lunches. It has become one of the great icons of the day.

British uptake of foreign tastes is always idiosyncratic. More than most countries, the patterns of our table habits are determined by social class rather than regional geography, and the adoption of mineral water has been no exception.

In fact it has exemplified very well our habit of acquiring new tastes through the middle class travelling abroad and bringing back what they have learnt for the general edification. It is easy to assume in London that mineral water is one of the bare necessities. The truth is that to many it is still an exotic item, only just now filtering through to ordinary people at home or in pubs from the urban centres and the *smart restaurants*. Believe it or not, the majority of the British population (though not the social ascendancy) most often drink not wine or bottled water with their meals, but tea. Mineral water is widely regarded as a toff's drink, or foolish pretension; desirable or damnable according to your lights.

Partly this is a testament to the marketing. What it is not seen as is plain water. Mineral water has consistently been promoted by association with wine and other high-class bottles, not with anything common out of a tap. Perrier, in particular, has assiduously urged the wine-not-water symbolism of its product and has even managed to obtain the permission of the jealous Comite Interprofessionel des Vins de Campagne to call it "the champagne of table water." Promotional matter regularly insinuates the analogy. "Like wines, bottled water can vary tremendously," it says, innocently.

One advantageous result is that whereas 47p (or several times that in hotels and restaurants) seems ludicrously, embarrassingly expensive for a litre of water when compared to what comes freely from the mains, it feels like a bargain relative to a bottle of wine. The trick works whether the mineral water is drunk with wine or instead of it. Most British buyers, I suspect, felt a little abashed when they first laid out on bottled water 10 years ago. Now they probably feel positively virtuous; and the shift in perception has been worked cleverly by packaging and advertising.

In the U.S., Perrier has brilliantly been dubbed "designer water." This correctly identifies its essential asset as its appearance, not its contents. Few products leave a freer hand to the designer *than* water. After all, it has neither colour nor shape. Indeed the only visible characteristic it can have is bubbles. These, therefore, are known by the marketing people as "perceived added value."

There are bubbles and bubbles, though. They can be bigger or smaller, natural or artificial. All British sparkling waters are carbonated artificially, since we do not have the volcanic strata necessary to bubble them for us, and so are very *much the poor man's fizzy* water.

Rumour now has it that in American smart society the bubble's bubble has burst. Bubbles are infra dig. Bubbles are condemned by chefs. Apollinaris and Perrier are losing caste. Still waters, such as Evian, are in. For one thing, bubbles give you wind (they are wind).

Perrier strikes back by saying its gas is better gas ("it contains traces of rare gases, xenon, crypton, argon, neon and helium, and was created in a process which began more than 140m years ago"). Wind is wind, though, however antique. In France, Badoit is more popular than Perrier, partly because it has smaller bubbles as well as being saltier. For this reason, it is the favoured *re-hydrator of our* Francophile wine trade, with its slighter, subtler burps.

Apart from bubbles, all one sees on the shelf is the bottle, and they come in all shapes and sizes. Buxton Spring Water is encased in something looking like an anorexic grenade; Malvern Water looks like a barman's mixer. In Belgium, where the water habit already is at *saturation point*, the stuff can be sold in cartons (as it is in Japan, though perhaps for the different reason that paper and card are more highly esteemed there). That is unlikely here for a while.

Indeed, the use of plastic has been introduced only cautiously, for fear of down-grading the up-market *image*. It will presumably never be adopted by Perrier, whatever the plain cost advantage might be: its curvaceous bottle is said to derive from the Indian clubs used for his exercises by St John Harmsworth, the water's first marketer. True or not, the fact that Perrier commands 50 per cent of the British market has as much to do with its shape and hue as with what it contains.

The influence of packaging and promotion is not restricted to the eyes, either. You buy not just a bottle or a litre of wet, but an aura, too; *an idea*, not just a fluid. You buy the feeling of power and the luxury of having had this particular bottle transported from the south of France, perhaps halfway round the world, to your *table*. You buy "bon ton." You buy a connection with the area from which it comes, usually beautiful or historic, as a compensation for being in the city where most waters are sold. Cwm Dale Spring Water, the label boasts, percolates through pre-Cambrian strata into a plateau "*rich* in Roman history and protected by the National Trust"—as if one were imbibing essence of historicity, a tour in each gulp. (A few years ago this water was sold as Aqua Pura, as though it could appeal only to the peculiar Latins.)

Romantic associations may be even more specific. Proust had strong sentimental attachments to Evian, the place, where he had stayed with his parents. In his long withdrawal into his cork-lined room, he had a bottle of opened Evian water by his bedside every night, never touched but taken away and replaced every morning.

Are there no good, hard reasons for paying out for mineral water? There certainly are no good medical reasons. It does not supply any useful minerals to anyone on a normal diet (and most customers are likely to be on a supernormal diet). It is not bacteriologically cleaner than tap water—sometimes, in fact, it contains more bacteria, because it *has* not been *disinfected*. It is not better for babies than tap water (and should be boiled, anyway). Most of these claims have been moderated by the suppliers as they turn away from the "crank" market, although they are still much credited on the Continent where the "*spa*" tradition is stronger.

There are, perhaps, three justifications for buying bottled waters. The first is that they may taste better than tap water; this depends entirely on where you live, and so is purely a local reason. This better taste is in most cases no more than "an absence of taste, which makes them taste more like the way we think water should taste," as a How To Spend It report put it when they first became popular. In London, water may have been "re-cycled" (as it is genteelly called) nine or 10 times, and it shows. Blind-tasting a still mineral water against London tap water can be revelatory, particularly of the chlorine in the mains; if nothing is revealed, you can save yourself some money. In New York a blind-tasting showed that tap water was actually preferred.

Of course, if you do drink mineral water for the taste you are liable to find yourself in the peculiar position of not wanting, out of self-respect as much as anything else, to dilute it with ordinary ice-cubes, though you may be happy enough using them for more expensive drinks. And with what do you rinse out the glass?

The second good reason for drinking mineral water is entirely to do with the fact that it is bottled and pricy and, ironically, offers a service purely by virtue of that. It can be seen to cost something, and so satisfy honour when money must be spent or hospitality received. This makes it *socially* useful: a positive choice that is not alcohol.

Handing over 45p for a glassful of water in a pub might be a *form* of blackmail extorted by our profoundly alcoholic society, but it can still be considered as relatively a bargain pay-off nonetheless. And water at least has the virtues of not rotting your teeth or making you fat (although this is not to say mineral waters are wholly harmless: Evelyn Waugh varies his regular record of drink and damage in his Diary with one entry which reads: "To dinner at the Ritz . . . I imprudently drank two bottles of Vichy water before starting, felt ill, and had to leave the table to be sick.")

Until recently, alcohol in moderation was regarded as relatively benign. The damage seen in alcoholics was attributed largely to complicating factors such as poor nutrition. Within the past 15 years the picture has changed. Alcohol is now recognised as simply and directly toxic (to the gastro-intestinal tract, liver, pancreas, heart, skeletal muscles, both central and peripheral neurons, bone marrow and endocrine organs, *for* starters). The spate of Designer Water can only increase under the impact of these disagreeable revelations.

The final reason why one might wish to buy bottled water can be termed political. It represents the exercise of private choice in preference to public provision, which can *seriously* be *seen* as a good in itself.

It is one of the great oddities of our day that this staff of life should have been turned into a successful market commodity—that all of our *historic* feelings about the importance of our drinking water should end up incarnated in a green bottle modelled on an exercise club. This has come about in 10 years. We seem hardly to have realised what has happened—that, in a way, good fresh water has again become a luxury, one of the significant privileges of wealth.

# In the end it is a matter of taste

IT has been several years since How To Spend It last took a serious look at bottled waters. Then the notion that the British, like their prone-to-liver-problem cousins across the water, could be persuaded to buy in bottles what was available free from their taps, was just beginning to seem not so daft, after all.

Nowadays, of course, almost every supermarket worth its name has its very own water, usually at the most advantageous prices on offer. Consumption in that time has risen from 7.8m litres a year to some 80m litres. Then, there were very few British waters; today it seems as if scarcely a month goes by without a new British water being launched.

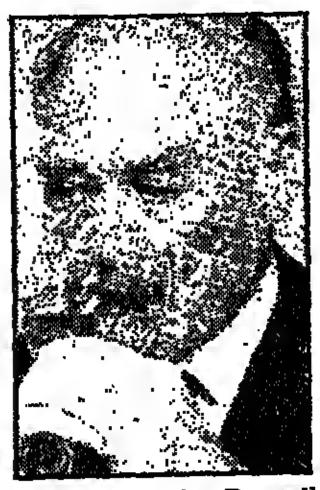
So it seems a good moment to take another look and, above all, to do some tasting of our own. How do the new British waters stand up to the continental competition? How much difference could be perceived, in a blind tasting, between one brand and another? How much reality is there in the new snobbery where water in the smarter restaurants is almost always ordered by brand and where devotees of Badoit or, say, Perrier, declare that they would never drink anything else?

We asked Edmund Penning-Rowsell, our distinguished wine correspondent, Adrian Bertorelli, a member of the famous restaurant-owning family, and David Sexton, author of the piece printed above, to be our tasters.

The prices and comments are listed below, but there are a few general points worth making first. When deciding which water is for you, bear in mind whether you want to drink it as a drink in its own right, or whether you want to drink it together with wine as an accompaniment to a meal.

If you want a drink that is worth drinking on its own as a replacement for wine, or maybe even for tea or coffee, then the tasters agreed that a sparkling water was the clear choice. Everybody, for instance, liked the Cwm Dale Spring water, which has an added dash of natural lemon zest, as a drink on its own; Edmond stressed that it would not go down with wine — particularly not with a delicate white wine.

David Sexton



Edmund Penning-Rowsell

Lucia van der Post

HOW TO SPEND IT

If you like fizzy water you should note the labelling conventions. Naturally fizzy water bears the label "Natural sparkling mineral water." "Sparkling natural mineral water," on the other hand, means the natural water has been artificially carbonated. In France the labels read "Gazeuse" for naturally carbonated versions, "gazifiée" or "pétillante" for the artificially carbonated ones.

Of the fizzy waters Perrier outsells all the other brands by a long way but among more sophisticated diners Badoit, I am told, is the drink to order. Edmund Penning-Rowsell confirms that amongst most of the wine trade Badoit is the preferred water. He had always thought he liked it best—ruefully, he found in the blind tasting that he preferred Perrier, describing it as "softer, rounder, with not a strong flavour but enough to provide good character."

The tasters were also given three still waters and our own tap water (dubbed "aqua municipale" by the wags). Curiously, all were convinced that Evian was the tap water, describing it as "boring," "not a lot of flavour," or "flat and characterless," while tap water was "cleaner" "more interesting," had "more life" or "a lot of minerals."

Most of the prices quoted here came from Waitrose, but no single supermarket sells all the brands (Fine Fare is only available at Fine Fare, Sainsbury's at Sainsbury and so on.

Adrian Bertorelli

Incidentally, Sainsbury does a wide range of bottled waters, including the cheapest one I came across; 2 litres of still Cwm Dale Spring for 36p.

If you take a fancy to more recherche brands (San Pellegrino, say, or the almost impossible to track down Vichy range) then you will have to go to more exclusive outlets, and pay accordingly.

Restaurant prices seem, on the face of it, scandalous and arbitrary. At The Connaught, for instance, you will be charged £1.50 for a litre of Perrier, the Neal Street Restaurant charges £1.80, and, mysteriously, you can get it for just £1 at Boulestin. The Savoy offers a large selection with San Pellegrino and Vichy fetching the top whack of £1.80 a litre, but you could get Highland Spring for £1.10.

We were only able to test 12 waters (plus tap water as a "control") but there are clearly many other brands worth trying out. In the end, most of us probably decide by weighing up the price and level of fizz required, but if you are interested in what our judges thought of the waters, read on.

## STILL WATERS

**Evian:** 44p per 1½ litres. Generally agreed to have little flavour but to taste quite clean. Would possibly be preferred by those who look to bottled waters for purity rather than interest.

*

**Volvic:** 35p per 1½ litres. This water did not find much favour—E.P-R. found it had a distinctly mineral taste to it, and all three judges disliked what they described as a "hard end" (E.P-R), "an unpleasant after taste" (A.B.) and "doesn't leave the mouth clean" (D.S.).

*

**Malvern:** 37p per litre. Was neither liked nor disliked. D.S. thought it had a neutral, clean, flat taste: not particularly interesting. E.P-R. found it "slightly sweetish with a hint of lemon" and A.B. thought it had a "sweet, indifferent taste with not much flavour."

*

**Tap:** E.P-R. thought it had "rather more taste than number one (Evian) and more life, while A.B. found it very dry and chalky, tasting of rather a lot of minerals. D.S. also perceived a "chalky" something in its taste but declared it cleaner and more interesting than the Evian.

## SPARKLING WATERS

**Fine Fare Sparkling Water:** 42p for 1½ litres. This water, too, did not provoke either a great deal of support or much antagonism. Both E.P-R. and D.S. found it a bit salty and E.P-R. detected the artificial carbonation a little too strongly, but A.B. thought it had a "nice flavour" with small bubbles, though they did tend to lose "their sparkle."

**Champneys Chiltern Hills:** 47p per 1½ litres. E.P-R. much *preferred* this to the Fine Fare version, finding it less strong and much "softer" A.B. thought it did not have a lot of flavour, and what there was was a little artificial.

*

**Badoit:** 47p per 1.25 litres. E.P.-R. thought it did not have "much style." whilst A.B. found it "sweet but lost its bubbles quickly." D.S. found it "salty, not terribly bubbly." and was moved to add strongly that he didn't like it.

*

**San Pellegrino:** 68p for just under one litre. As the most expensive of the lot this should have performed better. A.B. quite liked it and found it had "lots of bubbles that last well." He declared it "nice." E.P-R. thought it "dull and lacking in flavour, it just sparkles." D.S. *found* it "dull with little character though clean and nice enough."

*

**Cwm Dale Spring with lemon zest:** 42p per litre. D.S. faired amazingly well here, puzzling away at the curious lemon flavour — none of the judges knew, *of course*, that I had (perhaps rather unfairly) put in this bottle of lemon-flavoured water. D.S. found it "lemony, lively and most interesting." E.P-R. thought it also "attractive" and suggested later that it would be good for drinking on its own, but was not to be recommended with a delicate white wine. A.B. also liked its dry lemony flavour.

*

**Sparkling Malvern:** 50p per litre. A.B. *liked this very* much, declaring it to have lots of bubbles and minerals and, overall, "very nice." E.P-R. thought it had too strong and decided a taste, rather acidy. D.S. found it "coarse, with the artificial carbonation rather obvious."

*

**Perrier:** 47p per litre. E.P-R. to his surprise liked this, finding it softer, and rounder, with not too strong a character but enough to give interest. A.B. thought it had a metallic flavour, whilst D.S. liked its "vigorous, small bubbles" and thought it well-balanced.

*

**Ramlesa:** just 39p for one litre. A new Swedish water, just launched this year. All three tasters liked it. A.B. thought it had a "very distinctive flavour," E.P-R. thought it had some character but not much sparkle, though in general it was well-balanced. D.S. thought it had a stronger taste and was a little different from the others, which he liked.

*

**Brecon Bubbly:** 36p per litre. Another *sparkling* water that the tasters liked. A.B. found it "very nice, lemony." E.P-R. thought it lemony, too with a slightly assertive taste. D.S. thought it "fresh-tasting," and though he quite liked it, he found the bubbles very small and the mousse a little disappointing.

**If you belong to or are about to join the Water Generation, then you will need some attractive glass to drink from. There is no shortage of bright manufacturers who have cottoned on to the fact that designer water *needs designer glass to* go with it. If your tastes run to the modern you *could* hardly do better than go for Dartington Glass's elegantly shaped glasses specially designed for the new mineral water drinking glasses—they are made from fine 24 per cent lead crystal, are good to hold and sell at £10.50 for the *pair*.**

**For a softer, more rounded look you could go for some of the glassware from the Continent, photographed above.**

**The three on the left are all *in* a slightly bubbly green recycled glass from Spain. They have all the charm and the *slightly irregular* look of hand-blown glass though they *are in fact factory-made. The* tulip-shaped one on the left is £4.31, the straightsided tumbler in front is £2.75, and the small goblet at the back is £3.15. Available from David Mellor shops at 4 Sloane Square, London SW1; 26 St James Street, Covent Garden, London WC2, 66 King Street, Manchester and 1 Park Lane, Sheffield.**

**The other three are hand-blown glass *from Biot* in the South of France. The slight bubbles in the glass are characteristic of the work from this area and the glass itself is slightly tinted in pink or blue. The squat tumbler is £6.35, the tall tumbler at the *back* is *£6.50* and the goblet £10.10. The jug is £24.30. Find it all at The *General Trading Company*, 144 Sloane Square, London SW1. Mail order is also available.**

# Flinders—'Father of pots'

**FLINDERS PETRIE: A LIFE IN ARCHAEOLOGY**
by Margaret S. Drower.
Gollancz £20.00 (till December 31, then £25.00). 500 pages.

AMONG THE bearded intellectual giants born in Victorian times, Sir William Matthews Flinders Petrie, the archaeologist, has received scant biographical attention, confined virtually to his partly didactic autobiography, *Seventy Years in Archaeology*. This long definitive biography has, however, been worth waiting for, as the ideal biographer has been found. Petrie's work was his life; his biographer needed to share his passionate enthusiasm, yet maintain the detached critical stance of the professional historian to assess a genius as idiosyncratic as it was original.

Miss Margaret Drower is a distinguished historian of the Ancient Near East, who taught for over 40 years at University College, where Petrie held the Edwards Chair of Egyptology from 1892-1933. She started her Egyptological studies under him, and has lived, excavated and travelled in Egypt and the Near East throughout her life; she has known his children, his colleagues and many who worked with him. As a historian, however, she is absolutely scrupulous and impartial; and she has investigated every possible primary source of information over the past 10 years to produce a truly rounded picture of the whole man. Her book, written in clear, well-modulated, easy English, excellently illustrated and annotated, faultlessly type-set and produced, is a model biography, and more interesting than one could have believed.

Petrie's father, William Petrie, a Fundamentalist and a talented but commercially unsuccessful inventor, married Anne Flinders, daughter of Captain Matthew Flinders, a hero of the early exploration of Australia. Flinders Petrie, born in 1853, suffered as a child from severe bronchitis and asthma, and was never sent to school. Even as a young boy, he was passionately interested in mathematics, measurement and physical science; his father taught him surveying and to practice he started to survey ancient earthworks, tumuli and churches. Another hobby was collecting, especially coins; at 15 he was buying for the British Museum. By 1877, he had completed the first really accurate survey of Stonehenge, and of many other British monuments, and published a remarkable original work, *Inductive Metrology, or the Recovery of Ancient Measures from the Monuments*.

In 1866 both Petries had become fascinated by the theories of William's old acquaintance Piazzi Smyth, the Scottish Astronomer Royal, who extracted divine prophecies and millennial predictions from the measurements of the Great Pyramid of Cheops at Giza. Though strong adherents, the Petries saw the need for more accurate survey, which Flinders finally set out to accomplish in 1880. In two strenuous seasons of solo work in spartan conditions, he accurately surveyed all the accessible Giza monuments (published 1883) and disproved the existence of the "pyramid inch" on which Smyth's theories were based. Petrie's scientific independence was proved and his career found; all round him he saw how the ancient monuments of Egypt were being pillaged, how even official excavations were inadequately supervised, how history was being wantonly lost. He resolved to devote his life to Egyptian archaeology: "my duty was that of salvage man."

Thus Petrie's approach differed sharply from the monumental and hieroglyphic interests of contemporary Egyptologists. Everything interested Petrie; from the first he sought for and bought small antiquities of a character then disdained; flints, potsherds, beads, amulets, coins, weights, scarabs, spindle-whorls, any artifact, however small or crude, that could cast light on ancient life. A figurine led him to the early Greek-Delta settlement of Naucratis; "Oh what a feast of pottery!" he wrote, and his workmen came to call him "the father of pots."

To reconstruct man's use of tools, his command of stone, metals and materials was one preoccupation; to trace trade and international relations by isolating imports was another; to establish the physical development and change of ancient populations by anthropometry was another; to provide typological series exhibiting the development through time of pottery styles, artifact types and decorative motifs perhaps his principal concern.

Petrie evolved new mathematical and analytical techniques, outstandingly "Sequence Dating," which he invented to provide a chronological framework for the prehistoric cultures of Upper Egypt, the earliest successful use of tomb seriation and pottery typology in archaeological history.

In excavation technique, he was original and unorthodox; he substituted training and trust for the use of the lash; he invented his own pin-hole plate camera from a biscuit-box, taking splendid photographs on very slow film; he made his own sextants and survey-rods, and produced surprisingly accurate paced surveys with minimal means. Cemeteries, stratified settlements, cities, temples, rock-tombs, ancient routes and dams, Petrie investigated them all, walking immense distances, frequently ill, plagued by official misunderstanding and obstruction, but always absolutely indomitable. And in Hilda Urlin he found a wife of like mind, who throughout the long years of constant parsimony and of encampment in inhospitable places, faithfully drew, copied, registered, sorted and packed, undertook correspondence, organised supplies, raised and administered funds, the never-ending tasks of a devoted field-archaeologist's wife.

The Egyptologist Flinders Petrie, whose biography is reviewed today by Professor H. S. Smith of University College, London, seen with some of the objects he devoted his life to excavating

From 1880-1938 Petrie dug over 50 major sites in Egypt and Palestine, where he moved his work at the age of 73, dying in Jerusalem in 1942 in his 90th year. He wrote over 100 books and published over 1,000 papers; he was the only man ever to be a Fellow of both the Royal Society and the British Academy. After each season's work, he lectured, exhibited his finds, and never failed to publish a full excavation report, an unrivalled record. The story of his work and life holds an irresistible appeal for those who love travel and adventure, for those with a passion for excavation and discovery, for those who enjoy the quiddities of human character, for those with serious interests in history, ancient or modern.

Petrie emerges not only as the single-minded, forthright intellectual we know, but as a warm, human and dignified character despite all his amusing eccentricities. Though he never ignored documentary sources, his lack of formal linguistic and historical training at times led him into serious misjudgments and confusion of evidence with conclusions; he tended to disregard unduly the work of others, and his passion for new discoveries sometimes induced over-hasty pronouncement and publication. Yet the foundations of truly scientific archaeology in Egypt and Palestine we owe to Petrie; without his devoted field-work and his splendid collection in the Petrie Museum at University College, London, much of the detailed evidence for cultural evolution would have been lost. Petrie's original genius was fostered at least in part by his unorthodox education, a theme worthy of thought in these more trammelled times.

**H. S. Smith**

# Bullets fly in Florida

## Crime Fiction for Holiday Reading

**THE LONELY SILVER RAIN**
by John D. MacDonald. Hodder and Stoughton £8.95, 232 pages.

**PUTTING THE BOOT IN**
by Dan Kavanagh. Jonathan Cape £8.95, 192 pages.

**THE SECRET GENERATIONS**
by John Gardner. Heinemann £9.95, 453 pages.

**NOT A THROUGH STREET**
by Ernest Larsen. Pluto £7.95, 225 pages.

**ALPINE CONDO CROSSFIRE**
by M. G. Eberhart. Collins £7.95, 230 pages.

A ROUND of applause please for John D. MacDonald, author and progenitor of Florida boat bum Travis McGee—womaniser, amateur philosopher, incorrigible private eye. Twenty-one titles into the series and his latest, *The Lonely Silver Rain*, is as feisty as ever, if not feistier, certainly the most professional of the crime novels on offer this week.

Two kids steal a millionaire's boat. An aerial search finds them dead in the mangroves alongside another victim, a Peruvian diplomat's daughter, her throat cut from ear to ear. The millionaire himself is rubbed out on a trip to Cannes with his beautiful young wife. So is the police undercover agent standing next to Travis in the queue at a Mexican airport. Death is never very far away when drugs are involved, and the Mafia.

A routine enough plot by any yardstick, yet very smoothly done. MacDonald's strength is that he writes in the Chandler tradition, corner of the mouth stuff that keeps things bopping from page to page, no quarter asked, none expected. Hokum perhaps, but hokum for the beach bag this summer, if summer ever comes.

Rather more literary, if less slick, is Dan Kavanagh's *Putting the Boot In*, an up-to-the-minute story of Aids combined with unexplained violence on the football terraces. Duffy, the sexually ambivalent, hypochondriac sleuth of his earlier novels is searching his lymph nodes for signs of approaching death. He is also searching for the man—or woman—who has put two of Third Division Athletic's brightest footballers out of action, one permanently.

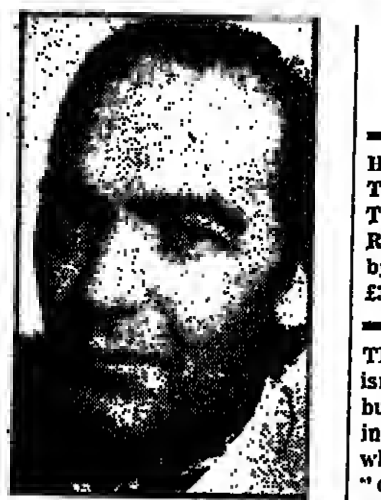
Who is it who wants to force Athletic out of business? Vince, Fat Frankie, the Red White and Blue Movement? Why? The answer is a touch predictable, because heavily rooted in reality. Kavanagh in any case is more interested in character and language, at which he excels, than in twists of the plot. He is an up-market novelist under another name, turning out an amiable pot-boiler here to keep himself in trim for his next assault on the more serious slopes.

John Gardner's *The Secret Generations* tells the story of the British intelligence services in the earlier part of this century through the eyes of the Railtons, an old county family traditionally close to the seat of power. They number a general, an MP, a wastrel and an adulterous wife among their ranks, as well as a young man from Wellington and Sandhurst of the clean-limbed, land of hope and glory variety.

Stock characters for the main part, stock situations too. The Germans are the chief villains in 1910—particularly a one-legged naval petty officer who strangles black prostitutes at the drop of a hat—although the emphasis has shifted to the Bolsheviks by 1935, with a short detour through the back streets of Dublin in pursuit of the IRA.

Lloyd George, Churchill, Casement, the Lusitania, cryptic messages behind enemy lines—everything tick tocks along like clockwork, plenty of action, plenty of sex, lashings of period detail. The author has clearly done his background research. As a family saga-cum-informal history *The Secret Generations* will pass a comfortable hour or two on a rainy day. As a thriller though, it has rather too many stagey characters, spies who see it all as a game of chess, corpses which sprawl unnaturally, Huns who drink cheap, fiery schnapps and pledge themselves to do their duty for the Fatherland.

*Not a Through Street* opens encouragingly with New York cabbie Emma Hobart witness to the killing of her former boyfriend by two hoods who are after the camera film she has just picked up. Rather than turn it over to the police—she is a feminist and ex-hippy—she decides to solve the case herself, beginning with the congressional aide who committed suicide for love of the Congressman and proceeding via a dead doctor in her bath to the industrialist's son who is wondering just how his student sister disappeared during the Vietnam anti-war years, never to be seen again.



John Gardner: pre-war spy-catchers

Racy stuff, with a mild left-wing stance—the publishers Pluto are committed to 'politically aware' fiction—but a bit too engineered in places, too dependent on unlikely coincidences. The same goes for M. G. Eberhart's 57th novel *Alpine Condo Crossfire*, an absurd story of a murderous weekend at a condominium in smart Alpine Village, just outside New York. TV researcher Emmy arrives on a Friday night under pressure from her uncle, a retired judge, to drop her investigations into a murder case—under pressure too from her old boyfriend Bar, whose lips she can still remember on her own.

A blizzard, a wicked-looking knife through the door, the mysterious Mr Manders in his darkened car. . . . Ms Eberhart tries hard but never really catches the imagination, partly because she writes in a gushing style better suited to hospital romances, partly because her plotting and characterisation here are amateurish in the extreme. The American Mystery Writers Association in the past has awarded her the title of Grand Master. They should strip off her epaulettes for this one.

**Nicholas Best**

# Chronicles of bitter confrontation

**HERITAGE AND HISTORY: THE SOCIAL ORIGINS OF THE BRITISH INDUSTRIAL RELATIONS SYSTEM**
by Alan Fox. Allen and Unwin. £30.00, 480 pages

THE MAIN bias which journalism engenders is not political, but temporal. Journalism lives in a perpetual present, for which "background" and "contextual" pieces are pressed into service, if at all, only to explain the contemporary event as filtered through the screen, the transistor or the printed page.

Industrial relations journalism is perhaps no worse than any other in this respect, but it is certainly as bad. The event of the day — in the negotiating chambers, in the conference halls, on the picket lines — is given meaning only within the matrix of instant conflict which governs industrial relations news — when in reality its "meaning" often derives from sources much less obvious, off the tracks beaten by the news-gatherers.

To a significant extent this is both inevitable and desirable: journalism has to be about the present or it quickly becomes vapid opinionating: an accurate wire-service story telling us what took place, where, when and with the participation of whom, is worth a lot of most punditry. But both should be informed by a perspective: and Alan Fox in *Heritage and History* has furnished an exceptionally rich perspective on the British industrial relations system.

In a sweep through nearly three centuries, Fox has given us a history whose main theme is how an independently organised labour movement — that particularly British donation to liberal democracy — achieved first legality, then status, then a place at the top tables: a place which, though it seemed secure in the post-war Britain where it had acquired by general consent a role as one of the three social partners, it has now lost, and is seeking to find once more.

Fox who, with Hugh Clegg and Alan Thompson, continues to chronicle in loving detail the history of British trade unions since 1889 to the present, is tremendously strong in the earlier periods. He proposes, and counterposes, two systems of control in pre-industrial times — "control through paternalism and control through an individualistic market order" (he is not slow to note that substantial traces of these remain, stronger in the contemporary period than they have been for some years).

He defines paternalism as possessing:

> "the key principle . . . the junior, subordinate or inferior participant is defined as having certain 'true' or 'real' interests which he or she is incapable of perceiving or pursuing. Responsibility for those interests is therefore vested in the senior or superior, who demands to receive in return the willing obedience of the person under his or her protection. Reciprocity is of the essence. To assert protection is very often to assert control."

This strikes contemporary chords in the era of "hairy-chested management"—but not only there. Reading the passage, I was struck more with its applicability to Arthur Scargill, the Mineworkers' president, whose leadership principles may be said to fall along the lines which Fox describes. If there is such a thing as "revolutionary paternalism," then Mr Scargill—following Lenin—is a leading practitioner.

Of the mid-late 18th century, when the industrial relations "system" was in embryo, Fox insists on the persistence and strength of the individualistic attitudes among the craftsmen who were the earliest "union" joiners—an individualism which the two great craft unions of today, the engineers and the electricians/plumbers, perpetuate through (among other traditions) their individual ballot votes, and their lay-controlled committee structures.

Fox says that "native traditions of individualism, liberty and wariness towards authority—traditions greatly strengthened by the politicising effect of 17th century struggles—had become structured into the attitudes and behaviour of wage earners even towards their own protective organisation." Few union officers need to be convinced that that last observation has remained true.

By the 1870s, after half a century of real difficulties and repressions for the emerging unions and emerging unionists, and aided by a 25-year economic boom, the upper working class—the artisans—became relatively well off and thus respectable: their unions became, if not welcomed by employers and by the opinion-formers of the day, at least accepted as fixtures. An influential group of reformers believed that:

> "an increasingly enlightened trade union movement would come to co-operate with employers through the collective bargaining process to promote class harmony, 'responsible' joint regulation and continued economic growth."

Economic liberalism was held by almost all—an exception was an obscure German refugee writhing in haemorrhoidal discomfort in the British Museum—to be the system which guaranteed material and social progress.

At the beginning of that period, the 1871 Trade Union Act laid down that trade unions were not committing illegal acts by being merely "in restraint of trade": once they were registered, their funds were protected. So began the period of "immunities" for trade unions which allows organisation to take place: so were laid the parameters of controversies which remain intense today.

The system was challenged in the early part of the century but survived: survived the General Strike and strengthened itself in its aftermath: survived, even, a disdain for industrialism and profit which has spanned the class and political divides in Britain, and still echoes down the dusty chambers of the British polity.

Between 1914 and 1950, Fox talks of an era of "consolidation and integration" — an integration which many on the left raged against, but about which they were wrong. Labour did get its feet under the top table and many of its leaders liked it there very much indeed; but whether they did or not, it remained independent of the state and of industry. It remained fundamentally democratic (though unions can often act tyrannously towards their members when the latter allow them to do so).

The treatment of the contemporary period (1960-80) is fresh and insightful, but not as assured as the rest of the book. Not surprisingly: for in giving us a synoptic and judgmental account of his period, Fox must have found himself lacking the necessary distance from the modern period, which is better chronicled by the industrial relations academic lions like the Lords McCarthy and Wedderburn, and the Messrs (George) Bain and (William) Brown.

Fox sees the system as under great strain—though, with the sweep of the centuries behind him, he can say, comfortingly, that "the probability is that while minorities on both sides may be prepared in the last resort to test class relations to destruction, majorities will not." The greatest test for decades—the Miners' Strike of 1984/85—proved him right.

**John Lloyd**



# Thugs caught in fog

**VICTORIAN VILLAINIES**
Edited by Graham Greene and Hugh Greene. Penguin Books, £5.95. 715 pages.

THIS GENEROUS, varied anthology includes two full-length novels (*The Great Tontine* by Hawley Smart and *The Beetle* by Richard Marsh) separated by two novellas (*The Rome Express* by Major Arthur Griffiths and *In The Fog* by Richard Harding Davis), all published originally between 1881 and 1901. Thus the villainies involved are Late Victorian, and glow with the dying light of the century; the last flickers of gaslight and the first crude blaze of electricity.

Though *The Great Tontine* involves detecting, it is not a detective story in the usual sense. But it has some dyed-in-the-wool villains, as well as some innocent heroines, a heart-of-oak hero, and a whole cast of supporting players. Basically it is the story of a lottery (similar to the device later used by Stevenson in *The Wrong Box*), whose participants come from every social stratum, allowing the author to paint a broad canvas of the period, full of telling and sometimes enviable details (handing the hero a letter, one character says: "Drop it into the pillar-box as you go out. It will be at the British Hotel in the course of two or three hours." The year is 1880).

The other full-length novel, *The Beetle*, is a weird tale of clean-cut English and wily Orientals; and again, the story — though nicely told — is less interesting than the setting. Another sign of those times: towards the end, in the heat of the chase, the authorities wire a station-master down the line, saying simply "arrest the Arab" on a certain train, taking for granted that there will not be more than one Arab travelling.

Richard Harding Davis sets his narrative in a London club, in an "I could a tale unfold" atmosphere. Here a *femme fatale* (naturally, a Russian princess) threatens to wreck an aristocratic English family, which includes (equally naturally) an African explorer and a wastrel black—or perhaps grey—sheep. Major Griffiths sets his story in Paris, and thus amuses himself by writing some fractured English ("figure to yourself . . ."). The sleeping-car murder anticipates the Orient Express and the Calais coach, and there is even a Christie-like diagram of how the compartments were occupied.

The Greene brothers, old hands at this sort of thing, have provided a rich feast. Like the great Victorian meals of culinary legend, it should be consumed without haste and with due appreciation

**William Weaver**

# Away from 87th Precinct

**SNOW WHITE AND ROSE RED**
by Ed McBain.
Hamish Hamilton £8.95. 248 pages.

**THE FOURTH ANGEL**
by Robin Hunter.
Macmillan £7.95. 252 pages.

**GUARDIAN ANGEL**
by Anthea Cohen.
Quartet Crime £7.95. 177 pages.

IN HIS Matthew Hope novels, Ed McBain abandons the seamy 87th precinct for Florida, Travis McGee country. Matthew is a lawyer, something of a swinger, always ready with a quip, but underneath is all, sensitive and firmly on the side of the right (morally, that is; politically, he is more on the side of the Left). This new novel, *Snow White and Red Rose*, is the fifth of the series. It moves smoothly and fast, until the end, where instead of the usual dénouement explanation ("what he really did was . . ." "the reason why she . . ."), McBain offers a bravura passage, a virtuoso aria with cabaletta for his anti-heroine. A bold notion, but the result is more tedious than impressive.

*The Fourth Angel* is one of those Solitary Avenger stories, calculated to make you sympathise with the one who takes the law into his own hands. A thoroughly distasteful piece of work, though it is technically well confected and tolerably written. It is a first novel. Perhaps, for his second, Robin Hunter will re-think his moral imperatives.

The author of *Guardian Angel* (like her previous four it has a hospital setting) worked for 25 years as a nurse. To judge by her fiction, nursing was an unhappy experience. The patients in Greyfriars Hospital are dominated by the terrible Sister Carmichael, a relentless, impenitent killer. Anthea Cohen is expectably good at conveying the pettiness and tension of the cramped world of the hospital. The narrative is less effective, inconclusive and vexing.

**W. W.**

## Theatre

# The critics in review

**PLAYS IN REVIEW 1956-80: BRITISH DRAMA AND THE CRITICS**
edited by Gareth and Barbara Lloyd Evans. Batsford. £7.95. 257 pages

WHEN DRAMA critics do not have enough of their own work to merit collection in a book, they sometimes turn to collecting the work of their colleagues. In principle this may not be a bad idea. A few years ago John Elsom produced a simple guide to post-War British theatre by anthologising others' remarks on productions from Olivier's *Richard III* to Pinter's *Betrayal*. The late Gareth Lloyd Evans and his wife, adopting a similar format of filleted reviews prefaced by subjective editorial comment, start, predictably enough, with *Look Back in Anger* and conclude in a cloud of muddle and frustration with Brenton's *Romans in Britain*.

John Elsom used to review plays for The Listener. Mr Lloyd Evans was an academic at Birmingham University and occasional contributor to The Guardian. Both editors, in their introductions, pronounce sonorously on the role of the critic, the demands of the job and the contrasting exigencies of daily and weekly journalism. And both get it hopelessly wrong.

Mr Lloyd Evans's premise is that modern drama is ruled by functional imperatives rather than aesthetic ones and that modern critics are less interested in form and style than in social relevance. This may be arguable in one or two cases, but is palpably false as a generalisation. He also labours under the misapprehensions that critics spend intervals anxiously gathering colleagues' conversational crumbs in order to bolster their own copy later in the evening (speaking for myself, I treasure the interval companionship of my colleagues but we have an unspoken rule that the play of the night is banned from discussion; and that those of us "who sweat in the galleys of the dailies" are moved to a state of blind panic at the sight of a Shakespeare play and consequently (although there is no logic in this inaccurate assumption) fail upon mere details of performance and directorial folly at the expense of the Bard's hallowed text.

This latter wild assertion betrays the Lloyd Evans reactionary stance on most developments in contemporary theatre. Shakespearian production obviously went down the pan for Lloyd Evans with the advent of the Royal Shakespeare Company; he mutters a few impenetrable remarks about the necessity of interpreting shifts in the meaning of tragedy and goes on to regret the modern critic's "slavish concern with the immediate, present-tense status of mankind."

The danger of a book like historical ineptitude. Alan this, however, lies in its Ayckbourn and Snoo Wilson, for instance, are each anthologised, a decade late as products of the mid-1970s. Ayckbourn's success with the critics is, for Lloyd Evans, a beacon among the murk of Edgar Griffiths, Brenton and the afore-mentioned Wilson. Snoo Wilson, one of the most intelligent and gifted of our playwrights, is memorable "solely by virtue of his name" (I do think insults should at least be witty) and then ignorantly despatched on the conveyor belt of "young fire-in-the-belly, militancy-in-the-eye, social-realism-in-the heart dramatists." Wilson, in fact, is a surrealist, a fantasist, and less of a political or social realist writer than Ayckbourn, let alone Edgar or Brenton.

Lloyd Evans eventually comes clean: "Theatregoing, after 1976, often became a kind of obstacle race as the theatre-going public was battered by the insistent puritanism of the new wave." J. B. Priestley is approvingly quoted on the "magic of theatre that educates and persuades only by stealth." Lloyd Evans is unwilling to concede, let alone discuss, the technical skills of, say, David Hare (still a "young playwright" in 1978, just as for the Lloyd Evanses of this world, Trevor Griffiths, pushing 50, remains a tearaway upstart) and hides behind the inadequate critical responses of the day to fire his own conservative rubber bullets.

Apart from the opinions supplied by the editors there are good blasts here of Alan Brien, Bamber Gascoigne, T. C. Worsley, B. A. Young, Tynan, Wardle and Billington. There is no evidence to support the contention that weekly critics write better prose than do daily practitioners. You could, in fact, easily prove the opposite.

Alex Wilson

Royce Mills and Caroline Blakiston

## Women All Over

THE EDINBURGH Festival's official drama programme has been slow off the mark this year. On the evidence of John Wells's *Women All Over*, a free but not liberating version of Feydeau's masterly farce *Le Dindon* at the King's Theatre, it *might* have been wiser to have mislaid the starting pistol altogether.

The British theatre has produced several excellent translations of Feydeau, notably those of John Mortimer and Richard Cottrell; Wells and his director, Adrian Noble, however have made the disastrous error of not only reversing the roles—so that the women become the predators—but also of removing the action from the domestic sphere in the first act into a ghastly *Cosmopolitan*-style women's magazine; in addition, they drop the third act, as far as I can tell, in its entirety, and treat the farce as a jam session for a most ill-assorted bunch of talented actors to mug and mumble their way through what can only be described as an inexpertly organised shambles.

*Le Dindon* is one of Feydeau's greatest farces and anyone fortunate enough to have seen, as I have seen, the brilliant Jean Meyer revival still packing them in at the Palais Royal in Paris will need no further bullying on the subject. What no one in Edinburgh could possibly divine from Noble's production is the clockwork precision of the plotting which culminates in a wonderful scene of illicit mayhem and confused bedfellows in the Hotel Ultimus.

This production ends on a messy bedroom romp and a flabby invitation to forget all about men for the moment and to go off and have a mutton vindaloo. They might just as well have added an announcement about train departures from Waverley station. There is no attempt to engage us in the fate of the characters, so there is no sense of that comic panic without which farce simply keels over and dies. The sight of Joe Melia executing a groucho walk in a pink bathrobe is humorous enough and Clive Wood as a male model in kinky demand troops on in black leather, African grass skirt and fireman's uniform as required. Such visions pump laughter from an audience. But nothing flows from the situations themselves.

John Wells, as we all know, is a gifted writer of topical satire and nose-thumbing impersonation. These are not obsessions appropriate to translating Feydeau. The unlikely farce spring here is the threat of the magazine proprietor (Faith Brook, elegant as ever, with more than a dash of Helen Gurley Brown) to close down the publication unless she can implicate her psychiatrist husband, Arnold Schwink (Joe Melia) in a divorce-worthy adultery scandal. Schwink himself is pursuing the editor (Eileen Atkins) while the editor's husband (the optimistically energetic Royce Mills who, along with Melia, is at least a natural farceur) is being stalked by a Molly Parkin-style pornographic novelist (Caroline Blakiston) with a penchant for sinking her teeth into men's buttocks.

In Feydeau, these shenanigans are stirred by a series of double bookings in the hotel where an elderly couple celebrating a silver wedding anniversary are also implicated, along with hotel guests and gendarmes. An old deaf woman finds herself besieged by men she has never seen before in a bed fitted out with two raucously contrasted electric bells by the hidden adultery-spotters.

One of Wells's bells malfunctioned on Thursday night and it is a measure of the production's incompetence that it seemed not to matter a jot. Pat Keen plays a mountainous lady judge who rather warms to the chaos while Patrick Godfrey potters around her deaf mate, and there are a few reasonably smutty jokes about sporrans and organs.

Bob Crowley's design of a featureless magazine office and antiseptic hotel bedroom (supervised by the wasted Elizabeth Bradley who, in other circumstances, would make a marvellous Madame Pinchard) is a suitably uninhabitable environment for these unfocused and untruthful capers. The presentation, amazingly, comes from Ray Cooney's Theatre of Comedy in which act-up there has been, in the past, so much inspirational respect for the seriousness of farce.

**Michael Coveney**

**GLASS-WILSON: EINSTEIN ON THE BEACH**
The Philip Glass Ensemble.
CBS M4 38875 (four records), also on cassette
**KNUSSEN-SENDAK: WHERE THE WILD THINGS ARE**
Rosemary Hardy, Mary King etc./London Sinfonietta/ Oliver Knussen. Unicorn-Kanchana DKP 9044, also on cassette and CD

## Records

# The minimal and the fantastic

THE MUSIC of Philip Glass, which not so long ago was quite hard to find on record (unlike the numerous pop productions which it has directly influenced) is at last becoming more widely available. CBS recently issued here three Glass collections, of which the most significant is surely the first of his big compositions for the stage, *Einstein on the Beach*. (The second, the Gandhi-inspired *Satyagraha*, is already released on disc in the U.S., and can doubtless be expected here before long.)

*Einstein* is, its creators Glass and theatrical inventor Robert Wilson insist, an opera. In its various European (none of them British, alas!) and New York representations, it ran about five unbroken hours; on records, four of them, the musical material has been somewhat compressed. Listening to the work, one ponders again the meaning of the word "opera." For though *Einstein* has the scientist as one of its characters—taken by the violinist Paul Zukofsky, who plays a Glass-style solo chaconne at certain key points—it is very far from being an "episodic-symbolic portrait of a historical personality" (Glass's words) of the kind witnessed in the recent ENO *Akhnaten*.

And while *Einstein* operates on an intricate network of recurring thematic motives—musical, verbal, and (according to reports of the live performances) visual—the Wagnerian ideal of opera suggested by such a description is very far from fulfilment here. It is fair to say, as Dominic Gill did in these columns after the 1976 Paris Opéra-Comique production, that this is "no more an opera than it is a play, or a ballet, or a dadaist happening . . . *Einstein* may be 'about' justice (and injustice), about art and science, art and life; but it is essentially about nothing in particular, except the stuff of dreams."

Yet the listener to the records gets the strong feeling that this is a work that belongs in the theatre, which must justify the use of the operatic label. It's curious to get such a feeling, or indeed any feeling at all, from the recorded by-product of what was, after all, a close collaboration between two theatrical equals—Wilson and Glass worked directly from a series of Wilson drawings that later formed the designs of the show. (They are elegantly laid out in the CBS booklet to supply a listener's set of reference points.) Yet the music on its own exhibits not just the power to compel attention on individual movements, but the power to hold together, over long spans of time, in a way that makes the experience a cumulative one.

It is music that shows Glass's creative abilities at their most impressive. Compared to the combination of grandiose ambition and conventionality recently revealed in *Akhnaten*, *Einstein's* fusion of characteristically bright, clean sounds (organ, flute, high voices, full choral interventions, solo violin), punchy rhythmic attack, and variously contrasted forms must remind the listener that "minimal" music — "additive music" as it is less popularly but more accurately called—was thought an exciting, cleansing phenomenon when it first began to make headway in its home and country and elsewhere.

Contact with these records stirs up more than a little of that original excitement. It also revives the doubts and questions that tend to go with the medium: on the prosaic level, "is this all there is to the music?" and "is this ever going to end?" are two that tend to recur at the midpoints of the longer movements, until changes (of rhythmic or melodic statement) in the repeated material provide their own answers. One is also likely to become puzzled, and remain puzzled, by both the structural formulations (what on earth is the "knee-play" that forms a basic *Einstein* unit?) and much of the verbal content. Yet that, too, is a basic part of the fascination—surreal dramatic and clear-cut musical substances in strange, beautiful, memorable partnerships and conflicts. The performance, by people—instrumentalists, singers, actors—who have it in their blood, is obviously authentic.

Of the record of the Glyndebourne *Wild Things*, made by the London Sinfonietta after last autumn's British tour, exactly the same can and must be said. The performance under the composer's own direction sparkles brilliantly; Rosemary Hardy's Max, not perhaps as spunky as Karen Beardsley's (her Glyndebourne alternate), is most beautifully sung; the gruff, dippy charms of the troupe of Wild Things come across at full strength. The fantasy-opera is, of course, the product of another famously close partnership—Sendak provided not only the wonderful designs but the libretto — yet the ability of the work to survive without its theatrical and inscenation is already proved: the first British appearance of the work, in concert at the Elizabeth Hall three years ago, made that point straight away.

It may be thought redundant to proclaim the qualities of the work yet again—it has, after all, only just completed a Glyndebourne festival run. But experience of the record demands no less, even if only in brief, for it reaffirmed my own conviction that *Where The Wild Things Are* has all the makings of a modern classic.

It is that rare and precious article, a genuine children's opera, neither patronising nor unrealistically complex, that can at the same time afford the receptive adult (especially one aware of all the musical influences to which the score so proudly admits) 40 or so minutes of utter delight. It is an opera that is fun, funny, magical, and also unsentimentally, unpompously serious as it charts a child's fantasy voyage through a world of aggression, hostility, and adult power (over which Max at his moment of triumph enacts a madly comic vanquishment) towards final understanding, love, and reconciliation. It is music glittering with wit, beauty, romantic colour, and operatic *objets trouvés* rendered marvellously fresh. The whole thing reveals Knussen as a born theatre composer.

**Max Loppert**

## Radio

# In holiday mood

THE *Radio Times* needs attention. Take, for instance, Radio 4's programmes last *Saturday*: "12.00 A Small Country Living. Details on Monday at 10.00 am. 12.27 Quote . . . Unquote. Details on Monday at 6.30 pm. 3.30 Great Gardens. Details on Wednesday at 11.00 am." One sees the space difficulty, but this just won't do. Radio 4 listeners especially, who switch on when they get up and off when they retire, can't stop sweeping and cooking and nursing to turn the pages.

A holiday theme has tinged the week. *Franglais* on Thursday, familiar in essence to us who have read 339 pieces in Punch, dealt with tourists. *So Much Blood*, Radio 2's new thriller by Simon Brett, is set in the Edinburgh Festival *Fringe*. *One Last Final Fling*, by Marcia Kahan, Radio 4's Wednesday afternoon play, began with a package tour to Paris, piloted with savage exaggeration, and ended with a romance between Roblo Bailey and Fabia Drake, whose sweet acting had earned it.

Also on Wednesday, Tom Salmon began a 300-mile journey around the coast of Cornwall, ashore rather than at sea. He skippered Appledore and Clovelly, and began at Morwenstow, to a rousing chorus of "And shall Trelawnay die?", which was written by a former vicar. He only got as far as Padstow in his first programme out of six, a mere matter of 30 miles as the Cornish chough flies (though it appears that the Cornish chough has flown to Wales and deserted its native principality). He went through Boscastle, where he interviewed a potter; Tintagel, where he walked breathlessly up to Arthur's castle; Port Isaac, where a crab-and-lobster fisherman lamented over-fishing; through Polzeath and Trebetherick with no more attention to the late Poet Laureate than a mention of his name; then over the ferry from Rock to Padstow, where he was just in time for the 'obby 'oss dances for the first of May. It all sounded very enjoyable.

A little further east, odd things were astir at Lynmouth in *Arrived Safely, Writing Later* by Stephen Dunstone, who wrote one of last year's best plays. Roger Danzi, whose hobby was collecting postcards, was so interested by two cards sent 50 years earlier by "Ethel," one to her mother, one to her uncle, that he resolved to track her down. You or I would not have been as excited as Roger, but then he was a writer.

It was very ingenious, though I found the events too theatrically woven to be convincing. Since Roger's world and Ethel's world were made to invade one another paranormally, perhaps I should have approached matters as for M. R. James. John Tydeman, the director, certainly allowed the acting (Tessa Worsley as Ethel, Patrick Drury as Roger, Lisa Harrow as Prokofiev-addicted Julia) to be larger than life here and there.

Trespassing once more into others' territory, I must record that the repeat of *Colours of the Celestial City* on Radio 3 last Saturday was as exciting as anything of its kind I have heard for ages. This was a portrait of Olivier Messiaen, written and presented by Roger Nichols, with the voices not only of Messiaen, but of Boulez, Xenakis, Paul Crossley, Gillian Weir, Felix Aprahamian and George Benjamin. It was not too technical for amateurs like me, but it did not play down to us either. What wouldn't we give for such an hour with Bach, Mozart, Beethoven or Schubert and their friends!

Well, at least we had the first of three programmes on Monday lunchtime, on Radio 4, about George S. Kaufman. Kaufman was a prolific American theatre writer and producer who is less well-known in this country than he deserves. I suspect most people would place him in the Shadow Cabinet. Dick Vosburgh, who wrote the piece and presented it, filled it with wit and music. Kaufman liked wit, but disliked music, which didn't stop him working on musicals.

**B. A. Young**

# CHESS

JONATHAN Speelman's start-to-finish victory in the 1985 Grieveson Grant British championship was among the most impressive title performances of recent years. His opponents included not only grandmasters Miles and Chandler but also a flock of ambitious young IMs keen to break through to the top.

Final leading scores at Edinburgh were Speelman 9 out of 11; Miles 8 (both unbeaten); Chandler, Condie, Flear, Hodgson, Rogers (Australia) and Thipsay (India) 7½. The notable performance outside the established GMs was from the 20-year-old Scot, Mark Condie, who checkmated Hartston in the final round and justified his growing reputation as Scotland's best-ever prospect.

The annual Lloyds Bank international, in progress until August 29 at the Park Lane Hotel, London, offers an intriguing Anglo-Soviet clash. The 150 entrants are headed by the Russians Belyavsky (world number 3), Chiburdanidze (world women's champion) and Kuzmin, while the British players are led by GMs Nunn (world number 11), Mestel and Chandler.

White: J. Speelman. Black: J. Hawksworth.

English Opening (Grieveson Grant British championship, 1985).

1 P-QB4, N-KB3; 2 N-QB3, P-K3; 3 N-B3, P-B4; 4 P-KN3, P-QN3; 5 B-N2, B-N2; 6 0-0, B-K2; 7 P-Q4, PxP; 8 QxP, 0-0; 9 R-Q1, P-Q3; 10 B-N5, Q-B1.

This and the later queen advance to QB4 are the source of Black's difficulties. Best is QN-Q2; 11 N-N5, P-Q4; 12 PxP, BxP with only a small advantage to White.

11 QR-B1, R-Q1; 12 BxN! BxB; 13 Q-B4, Q-B4; 14 P-QR3, P-QR3; 15 P-QN4, Q-B2; 16 P-B5! NPxP; 17 PxP, Q-2A.

17 . . . QxP fails to 18 N-Q5.

18 RxP, R-QB1; 19 N-K4, BxN; 20 QxB, QxRP; 21 QR-Q1, R-R2; 22 P-B6.

Clever tactical defence has enabled Black to keep level material, but White's protected passed pawn ties down all the black pieces.

22 . . . R(2)-B2; 23 N-K5, Q-B4; 24 P-K3.

Calm play, securing his position before the next tactical strike. The white knight is safe because of the back rank mate.

24 . . . P-R3; 25 NxP! RxN; 26 QxP, R-B1; 27 Q-Q5, QxQ; 28 BxQ, K-R2; 29 BxR, RxB; 30 R-N1, B-K4; 31 R-K6, B-B2.

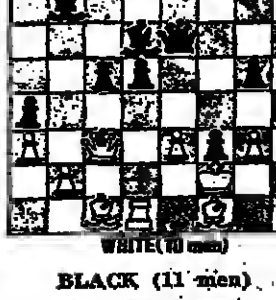
In theory, a bishop and knight are almost equal to a rook and two pawns; in practice, as here, the active rook is often far superior.

32 R-N7, P-QR4; 33 R-K8, N-R3; 34 R-QB8, R-B3.

Otherwise R-R7 wins.

35 R(8)xB, NxR; 36 RxN, P-R5; 37 R-R7, RxQBP; 38 RxP, K-N3; 39 K-N2, K-B3; 40 P-R4, R-N4, R-N3 and Black resigned. Two pawns is too much.

**PROBLEM No 582**



BLACK (11 men)
WHITE (10 men)

Monticelli v Najdorf, Warsaw 1935. Black (to move) is a pawn up with a dominating position, but White has guarded all the obvious entry points. How can Black force a win?

Solution Page XII

**Solution to Chess No 582**

1 . . BxP ch; 2 KxB, Q-Q3 ch; 3 K-B2 (3 K-N4, B-B1 ch; 4 KxP, Q-N6 ch and mate in two), Q-R7 ch; 4 K-K1, Q-N6 ch; 5 K-B2, Q-B7 ch; 6 K-Q3, B-R3 ch wins.

**Leonard Barden**

## Saleroom

# Bang bang silver hammer

IN 1981 TWO battered and nondescript pianos were offered to Sotheby's for sale. The instruments were worthless in themselves but the fact that they had been owned by John Lennon and Paul McCartney gave them some unfathomable monetary appeal.

For Hilary Kaye, of Sotheby's collectibles department, they had an immediate attraction. There is a constant search for new areas to interest collectors and Hilary Kaye was convinced that an auction of rock and roll memorabilia, built around the fortuitous arrival of the pianos, would touch a popular nerve.

Sotheby's took small ads in the Press announcing such a sale and seeking signed photographs, pop merchandise, old posters, programmes, fan magazines: any of the flotsam and jetsam of the golden age of rock and roll. The material flooded in: the auction was a success; and a new saleroom market was born.

On Thursday Sotheby's holds its fifth major rock and roll auction in London, a noisy interlude in a month otherwise closed to business. Its competitors have joined in the act, and on Wednesday Phillips is offering similar material in its collector's sale.

Hilary Kaye, who is young enough to have heard about the Beatles from her parents, has some qualms about the monster she has unleashed on the world. The success of the auctions to date runs counter to auctioneers' lore. Some rock items are rare and valuable; some are mass produced and worthless. Yet in the last four years the mass produced articles, which turn up at every auction, seem to rise remorselessly in price while some unique items go for bargain prices or are unsold.

For example, on Thursday four inflatable plastic Beatles dolls with human hair, produced in the U.S. around 1966 by the hundred thousand, carry an estimate of £100, but could sell for much more. Similar lots appear regularly and their price rises steadily, despite the fact that they must survive in vast quantities.

In contrast, coming under the hammer for the second time is Elton John's piano, brightly painted with flowers against a background of distant hills and a blue sky. It failed to find a buyer a year ago and now carries a modest top estimate of £3,000.

Part of the explanation is that the low priced objects are bought by the fans—teenagers who have saved up their pocket money for a year to buy next week a steel string from one of John Lennon's guitars for around £100, or a signed Beatles programme for roughly the same sum. The more expensive lots tend to go abroad, to dealers from the *U.S.*, Japan or Western Europe.

Last year it was Seibu, the Japanese department store, which went on a spending spree at the sale, and it is quite likely that on Thursday another foreign dealer will invest £50,000 or more and at a stroke form an exceptional collection of Beatles memorabilia at a bargain price. There is one Beatles museum in the UK, in Liverpool, and its owners bought heavily in assembling the exhibition: but there are few major British collectors, and the country still awaits the formation of a comprehensive rock and roll museum.

What is already apparent in *this fledgling market* is that the Beatles command a considerable premium over all other artists, including Elvis Presley. A signed photograph of the Beatles has a current value of around £150, or £200 plus for an unusual one: other stars go for around half this sum. It is the same for gold discs—a rare

Roger Taylor

John Lennon for sale

Beatles gold carries a £3,000 estimate while those of rival groups rarely top £1,000.

The same differential appears in clothing, with John Lennon maintaining his edge over the rest of the quartet. His 1964 stage suit is estimated at £3,000 as against £1,500 for George Harrison's. But the white silk jacket worn by Jimi Hendrix carries only a £400 forecast as does the 1963 stage suit of Billy Fury.

It is in cars that the grip of the Beatles on the popular imagination is most striking. A late addition to the auction is a 1949 Delahaye coupé designed and built for the Maharajah of Mysore and later owned by Elton John. It is a car of great historic interest and carries a top estimate of £50,000.

The limousine ordered by John Lennon from Mercedez-Benz in 1970 is in a different price range altogether. Hilary Kaye expects it to sell for £170,000, but she is being cautious. She is well aware that in New York in June another Lennon car, the famous Rolls-Royce painted with psychedelic colours, sold for $2,299,000. This was a freak price, but underlines the magic of the Beatles' name.

For Hilary Kaye the most interesting items on offer are the personal momentoes of the Beatles. She has high hopes of a letter written by Paul McCartney to the "Mailbag" section of Melody Maker magazine answering with a brief negative the paper's 1970 speculations that the Beatles might re-form. This carries a "refer department" slug, but should sell for at least £4,000. She also likes the letter John Lennon wrote to a fan worried that his attachment to the Maharishi showed a lack of faith in Jesus: Lennon was re-assuring.

For anyone who lived through the era the auction is redolent of the sixties—there are fake fur waistcoats designed for Apple; Beatle chewing-gum cards; promotional posters showing the Beatles second on the bill to Joe Brown and his "Bruvvers." There is a set of 13 erotic lithographs by John Lennon (top estimate £7,500) and a 1964 Beatles jigsaw for around £100.

The auction is invaluable to Sotheby's in terms of publicity. It involves them in selling lots for less than the £100 which they regard as their lowest possible break-even price, but it draws in a new audience, and the commission and premium creamed off by selling the expensive items—a Jimi Hendrix guitar; Elvis Presley's suede jacket; Keith Moon's drum kit, as well as the cars—should ensure a healthy profit. And Hilary Kaye is anxious to eliminate gimmickry from the sale. She would be reluctant to sell a dress worn by Boy George or by Madonna. The artists represented must be part of pop history; and by holding regular sales Sotheby's is ensuring that such a history preserves and values its own source material.

**Antony Thorncroft**




# FINANCIAL TIMES

PUBLISHED IN LONDON • FRANKFURT • NEW YORK

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# WEEKEND FT

Sport

# A swing towards the Ashes

## Trevor Bailey looks forward to the final Test at the Oval

SO WHERE do we go from here? Can Richard Ellison give us a repeat performance of bis great Edgbaston bowling feat when England play the final Test at The Oval? Can David Gower repeat his Boy'a Own Paper captain's role, with the bat and in the field, and snatcb tne Ashes from the old eoemy? A cliffhanger worth waiting for.

Ellison's vital wickets rightly made him man of the match. But Gower was a close second. He stroked a glorious 215, fielded superhly includiog a long period as a frighteningly close silly mid-off, and handled his team well to make them one-up on the eeries.

But there wes aoother reason which mada Ellison's return to Test cricket so dramatic. Uotil Edghaston England'a biggest weakness egaiust a sub-standard Australia was the lack of real pace support for Botham. Edmonds and Emhury are top-class spinners, hut it is more than 20 years since slow bowlers have cliocbed e Test series in Englend, and now, with fully covered pitches it is even less likely to happen.

Along with newcomer Taylor, Ellisoo was England's sixth choice after Cowans. Allott, Agnew, Foster and Sidebottom. Unlike his rivals who made little impact, Ellison is essentially a swing bowler rather than a seamer, which is why he finished with teo wickets on e slow pitcb where England bad made 595 for five declared without uodue trouhle and with considerable panache.

For a seamer to return ontstanding figures in hoth innings of a Test, he needs a wicket which either cootains some life, or off which the ball will deviate. But a real fast bowler, or e swing bowler can still be devastating on a placid pitch, as he relies on either exceptional speed, or swerve in flight. It is bard to give a better example of the seamer's skill than Michael Holding's performance on a featherbed st the Oval in 1976 when he accounted for 14 England batsmen, or of swiog bowling at Lord'e in 1972 when Australia's Boh Massie picked up 16 victims.

Ellison is a medium-fast bowler, about the same pace as Massie and rather slower than Alec Bedser. Any pre-war keeper would automatically have stood up to him but modern keepers prefer to be back in order to provide s larger catching area.

What surprises me in these circumstances is the disinclination of batsmen to take guard against bowlers like Ellison and Massie at least e foot down the wicket. This would not only rednce the amount of swing and the chances of an lbw but would force them to adjust their length or hring their keaper up to the stumps.

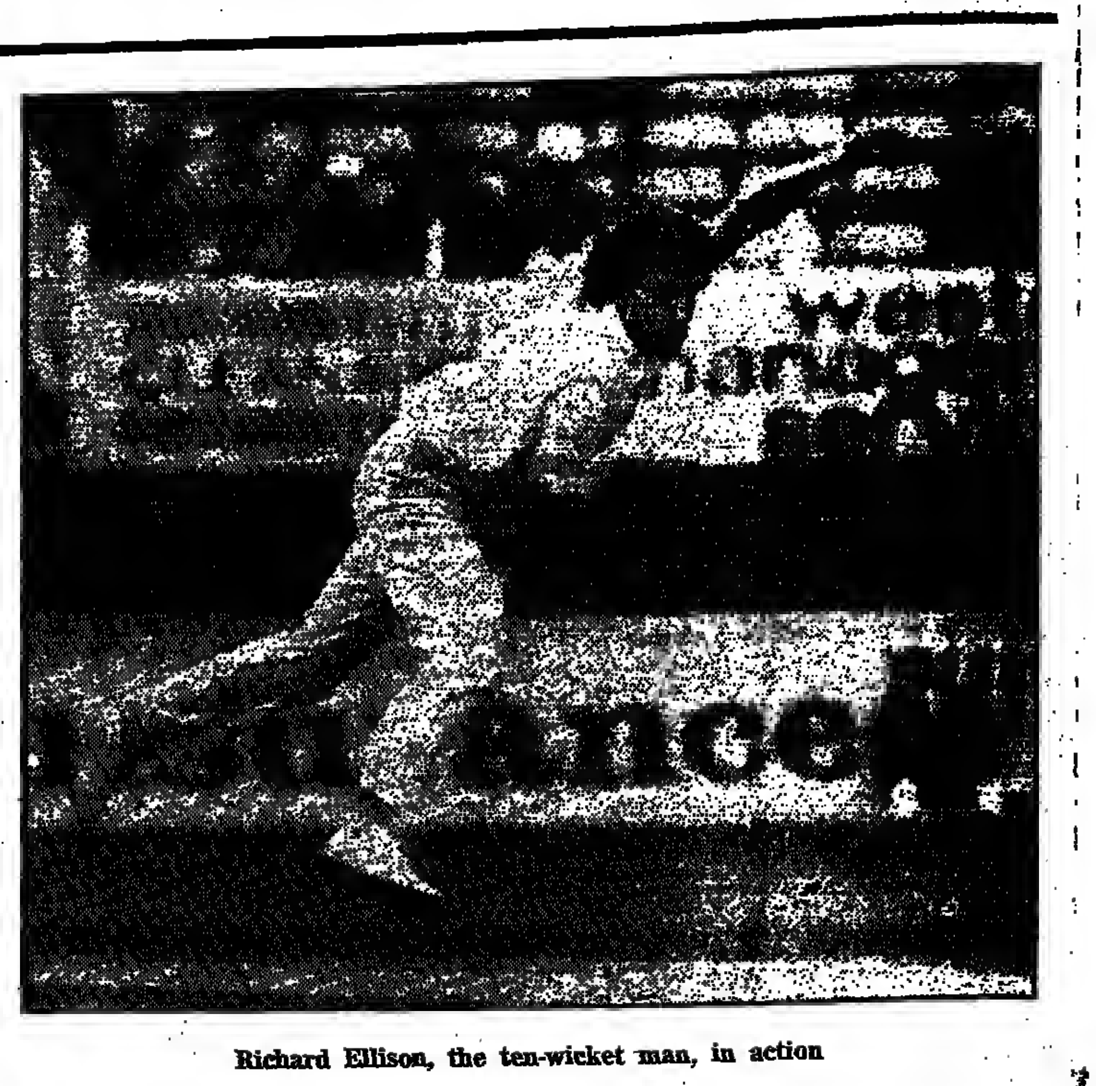
The main weapon in Ellison's ermoury is his away swinger. Although it tends to start early, it often goes a long way as he demonstrated in the Calcutta Test this winter in conditions which did not favour swerve. On that occasion he took nought for plenty, but his figures did him no justice, nor indicated the number of occasions he beat the outside edge of the bat. With his particular outswinger's action he may well never bowl a really effective inswinger, hut that does not matter too much. He can get sufficient variation from the ball that fails to swing and goes straight as well as the one which cuts back off the seam.

One of the reasons for Ellison's success was that in order to move the ball in the air he bowled e fuller length than a seamer like Allott. Like most natural away-swing bowlers he also probably enjoys bowling at left-handers — and Australia has so many — because the occasional ball which swings into them from around their off-stump provides s perfect set-up for the delivery which is simply slanted across them.

The ehility to make a ball swerve is frequently a natural gift and it has alwaye worried me wben a coach began to explain why to a schoolboy. I have seen too many who started to think about swing bowling and lost the knack — indeed that was the eventual fate of Massie who after a wonderful season in England had within two years lost his place in his state side and faded from the game.

But forward to the Oval Test. Providing there is a good, flat pitch it is hard to imagine Anstralia winning. England not only posses a powerful batting line-up hnt the Aussie attack has an anaemic look.

At Edgbaston it consisted of Lawson, at his best a quality fast bowler but who has seldom sppeared fit this summer, McDermott who is a highly promising novice fast bowler, somewhat lacking in control, Thomson who has lost that yard of pace without the compensation of increased accuracy, O'Donnell, who is no more than a reasonable county third eeamer, and Holland who is an admirably accurate wrist spinner, but hardly ever beats the bat.



Richard Ellison, the ten-wicket man, in action

# How the Laker ghost was laid

Continued from page 1

If tbere was to be a deal, said tha judge, it had better come soon.

Most of those present evidently agreed. The co-defendants, the plaintiff and the creditors, in short, were on the brink of a conclusion. But Park now had to pick up the lines of that other, less formal exchange begun in Florida in January.

And so began the last, most byzantine chapter ofthe whole story — which only days ago looked set to treps the settlemeot in various courts of eppeel until well into the eutumn. Could Perk rally the co-defendants round a firm offer to Sir Freddie and Backman? And could the two men he persuaded it was the best they were likely to get?

On April 18, in Geneva's Penta Hotel, the representatives of the ten beleaguered airlines sat down to hammer out their tactics. Hours later, they rose without egreement. Park needed a firm promise from the co-defendents hefore he would spproach Beckman ageln. They wanted a promise from Beckman hefore committing themselves.

It took a fortnight to chaoge their minds — and a show of measured rage from Park and his team. But ooe way or another, the co-defendants put their names to the offer: $48m for the creditors, $8m each for Sir Freddie and Beckman. Tbe formal letter was handed to Beckman in his Washington office oo Mey 7.

What happeoed next would beve taxed the patience of Job. let alone a U.S. judge. All the parties met Jndge Greene on May 8 and again on May 30. Settlement of the Morris suit seemed iminent But Beckman wanted $65m insteed of $8m; aod Sir Freddie had a shopping list of goodies he was determined to win from the airlines. It was back to details, with a vengeance.

Judge Greeoe made his feeliogs increasingly clear. By mid-June, be was eccusing Beckman of hehaving irresponsihly and pushing s "preposterous" claim for fees. On June 27, Sir Freddie climbed down end signalled acceptance of the deel, in froot of the judge. Then on June 28, he cbange his mind.

For Park and the co-defendants, it west he last straw. The liquidstor was at home in Cohham on Sunday, June 30 when the lawyers rang to ask if he would settle on his own, without Sir Freddie. Yes, said Morris, he would.

And so it turned out. Park wrote to Sir Freddie, more in sorrow than anger, that further negotistions with him were now considered to he a waste of time. Tbe $8m would remain for s while on tbe table: he could take it or lesve it. The next day, July 12, the co-defeodants and tbe plaintiff struck their bargain together. Formal arrangements to dismantle the anti-trust suit were set in train and Morria had one of the most euccessful liquidations on record almost within his grasp.

Beckman attended tbe last meeing between the two sides, but bs refused to talk to Morris, his own client. He seemed white with anger. He again refused his own $8m; but later the same day, Park changed this to $12½m for all the plaintiff's lawyers and it was eccepted on Beckman's behalf.

That left just ooe finel obstacle: Sir Freddie himself. Morris and the codefendants reqnired approval for the settlement from the English High Court and the Royal Court of Jersey — where Laker Airways was registered in 1968 — hefore they could assure Judge Greene that the saga was eoded. Up popped Sir Freddie on August 5 in the High Court with a wbole series of objections. Twice he was heaten in key judgments, hut he gave no sign of surrender.

It was a sipirited rearguard action, fanfared throughout with many scornful asides ahont the $8m offer. "Some people just can't be hought," said Sir Freddie on Monday. The lawyers' diaries for September began to fill. But the next day, at the last possible moment before the deadline for the offer expired, Sir Freddie took tha money.

Private View

# As I was saying to Bradman . . .

THE FORMER Prime Minister of Australia, Malcolm Fraser, once remarked that "life wasn't meant to be easy." Not long afterwards the electorate tipped him out of office, so presumably he should know.

What hrought Fraser's words back to mind this week was the monumental hiding handed out hy the English to the cream of Australia's cricketers — well, some of them. Not for nothing have some soured onlookers with hroad Strine accents been heard to opine that this touring party has more than its share of skimmed milk.

Be that as it may, England was not s place to he an Australian on Tuesday. "All over then, is it?" was accompanied by smug grins of the sort that would have brought instant retribution on the Hill of the Sydney Cricket Ground. Thank heavens the Old Country is a more civilised place.

Fair-minded Australians (like me) will admit that justice was done at Edgbaston — even if that admission comes from between teeth gromd to a powder. If there is one thing your average Aussie loathes, it's being whipped by the Poms. It hurts, and there are no two ways about it.

No, life wasn't meant to he easy and you can bet the Australian cricketers are pondering on that around abont now. Like Malcolm Fraser, their jobs are right on the line. Just ask the Folks Back Home.

They're the ones who ignore the time difference and sit up until the late early hours of the following day with their tins of the amber nectar, happy as long as their team is doing well but turning increasingly surly as the worst occurs.

It remains true to this day that Australians take defeat badly. By and large, a nation that achieved fame from sport has not yet come to terms with the undeniahle fact that most of its sportsmen and women no longer are in the top rank.

Those glorious days of the 50s and 60s, when Aussie tennis players dominated the world, have long gone. Where now are all those swimmers who blitzed international competition? Your John Landys and Herb Elliotts, who did on the track what Coe, Cram and Ovett now are doing for Britain? Tbe soft life has taken its toil and no mistake.

It's not nearly so tough for the British; this country has had s national masochism for so long. But there are signs that times are changing; Edgbaston on Tuesday could be another milestone along the road to self respect. — and it would be nice if England could reverse that five-nil cricket thrashing of last summer when they go again to the Caribbean this winter. Even we Aussies would applaud that.

Meanwhile, there is the small matter of the Oval. Small? You should be able to feel the waves of Antipodean antipathy coming from behind the famous gasometers as the toss takes place. They come all the way from 15m souls who will insist to this day that Poms are the world's worst whingers while refusing to admit that Australians themselves have little to lcarn ebout this dubious art.

Still, wbat's a bit of hypocrisy hetween friends. Let battle resume.

**Sinclair Robieson**

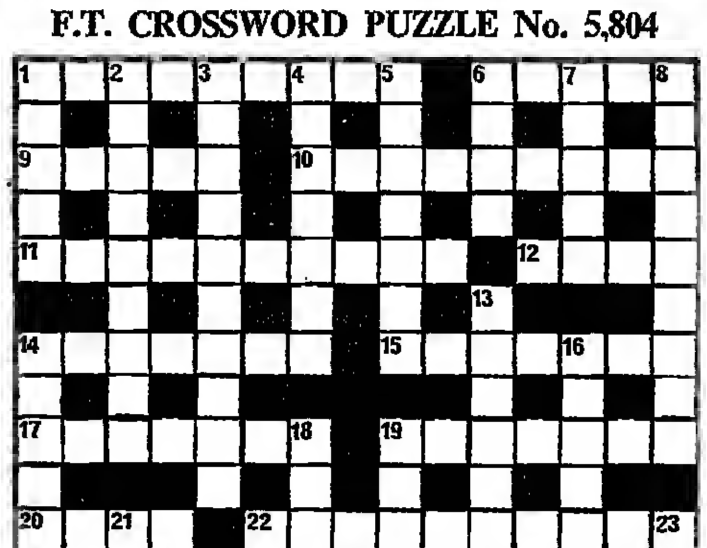
## Solutions

Solution to Puzzle No. 5,803


Solution to Chess No 582

1 . . . BxP ch; 2 KxB, Q-Q3 ch; 3 K-B2 (3 K-N4, B-B1 ch; 4 KxP, Q-N6 ch and mate in two), Q-R7 ch; 4 K-K1, Q-N6 ch; 5 K-B2, Q-B7 ch; 6 K-Q3, B-R3 ch wins.

## F.T. CROSSWORD PUZZLE No. 5,804




*Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.*

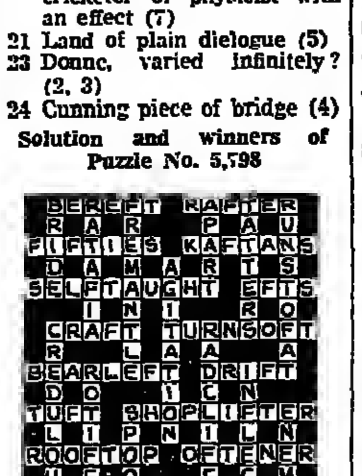
### ACROSS

1 Politicians who (classically) are taken in hy an expert will soon fizzle out (4, 5)
6 Hard work for rose growers? (5)
9 Dressing ean be a problem (5)
10 Premier's demand for the Aga Khan (not a king) (9)
11 What works an appliance could be dim or overt (take the car!) (5, 5)
12 Premier gets in (4)
14 Premier's success with nothing oo top (7)
15 Premier John, called Jack at Cruft's (7)
17 Premier for preservation (7)
19, 20 Premier has room placed horizontally (11)
22 Premier with Pilgrim's weight (10)
25 Prognathous, failed to reach the runway (9)
26 Belgian city with feudal associations (5)
27 Premier of open country (5)
28 North, seconded for a change, may take milk (9)

### DOWN

1 French leader entering changed colour in Wales (5)
2 Premier, a graduate, has power: Political economist gets in (9)
3 Riveter was prepared to put order in hand (5, 1, 4)
4 Dethrone or Pollard? (7)
5 Premier who was kidnapped (7)
6 Premier losing weight is happy (4)
7 German exclamation causes chaos (3, 2)
8 Pitch corrector entertains girl—mole, perhaps (9)
13 Light shoe especielly for topless dance? (10)
14 Cub, upset by false clue et church, attains Scottish dukedom (9)
16 After putting me up, perhaps angostura is aggravating (9)
18 Vivid presentation of chap with rig (7)
19 Order point to read about cricketer or physicist with an effect (7)
21 Land of plain dielogue (5)
23 Donne, varied infinitely? (2, 3)
24 Cunning piece of bridge (4)

Solution and winners of Puzzle No. 5,798




Mrs J. R. Nutter, 9 Taymouth Place, Broughty Ferry, Dundee, Scotland.
Mr D. R. Llewellyn, Top Flat South, Kingston House, Kingston Bagpuize, Oxon.
Mr John Howse, 66 Bentham Drive, Liverpool.
Mr H. Waller, 41 Thornhill Street, Calverley, Pudsey, West Yorkshire.
Sir Alan Marre, 44 The Vale, Londoo NW11.

# TELEVISION AND RADIO

## SATURDAY

† indicates programme in black and white

### BBC 1

8.30 am The Saturday Picture Show. 11.00 Film: "Every Oay's e Holiday." 12.30-5.05 pm Grandstand including: 1.00 News Summary: Football Focus: Motor Racing from Worcester: Athletics from Zurich and Berlin: Racing from Goodwood: Swimming: Show Jumping from Hickstead: 4.40 Final Score (classified results). 5.05 News. 5.15 London — Soort: South-West (Plymouth) — Spotlight Soort and News: All other English regions—Sport and Regional News: Wales—Soorts News Wales: Scotland —Scottish News and Sport: Northern Ireland—Northern Ireland News and Sport. 5.20 The New Adventures of Wonder Women. 5.10 Anything Goes. 6.55 Film: "The Magnificent Two." 8.30 Are You Being Served? 9.00 News and Sport. 9.15 Shogun. 10.50 Oolly Parton in London. 11.40 Film: "A Fine Madness." starring Sean Connery and Joanne Woodward.

### BBC 2

3.10 pm Film: "Ouel et Silver Creek." 4.30-6.30 Film: "Yankee Ooodle Oandy," starring James Cagney. 6.30 The Sky At Night. 6.50 The Sooze Cruise. 7.20 News and Sport. 7.40 Rene Cutforth: From Our Special Correspondent. 8.30 Concert Trilogy. 9.15 Film: Robert Altman's "The Long Goodbye," starring Elliott Gould. 11.05. 12.05 am The Good Old Oays.

### LONDON

6.15 am TV-am Breakfast Programme. 6.35 Matt and Janny on the Wilderness Trail. 10.00 Adventure of a Lifetime. 10.25 Clash of the Monsters. 11.15 The Champions. 12.15 Pro World of Soort, including: 12.20 Motor Cycling; 12.35 Cycling: The World Championships; 12.45 News; 12.50 On the Ball; 1.20 The ITV Six; 2.55 Motor Cycling; 3.45 Half-time soccer round-up; 4.00 Tennis; 4.45 Results. 5.00 News. 5.05 Cartoon Time. 5.15 Happy Days. 5.45 Just Amazing! 6.30 Kelly's Eye. 7.15 Bottle Boys. 7.45 Film: "Firefox," starring Clint Eastwood. 10.15 Programme information. 10.20 News and Sport. 10.35 Twenty Years On. 11.35 London News Headlines followed by The MTV Award Show. 1.45 am Night Thoughts.

### CHANNEL 4

1.05 pm I Could Oo That. 1.30 Ever Thought of Sport? Canoeing. †2.00 Film: "Inspector Hornleigh," starring Gordon Harker and Alistair Sim. †3.25 Film: "Top Secret," starring George Cole. 5.05 Brookside. 6.00 Family Ties. 6.30 Babble. 7.00 News followed by Rejoice. 7.30 Opinions: "Happy Families?" 8.00 World of Animation. 8.15 The Boy in the Bush. 9.15 Fathers by Sons. 10.15 Hill Street Blues. †11.15 Film: "Time Without Pity," starring Michael Redgrave. 12.5 am France Tour Detour.

### S4C WALES

1.20 pm The World: A Television History. 1.50 The Press Gang. 2.20 Fathers by Sons. 3.05 Space Flight. †4.05 Film: "Anna Karenina," starring Vivian Leigh. 6.05 Everyone a Special Kind of Artist. 6.35 The Coral Jungle. 7.30 Newyddion. 7.45 Llun er y Sgrin. 8.15 Helle Orysor. 9.15 Rygbilympics '85. 9.45 Lou Grant. 10.40 Film: "Victim," starring Oirk Bogarde.

### REGIONS

IBA regions as London except at the following times:

**ANGLIA**

8.25 am Cartoon Time. 5.35 Captain Scarlet and the Mysterons. 11.20 Tarzan. 5.05 pm Oreams. 5.35 Chips. 11.35 Jerry Lee Lewis—Live in London. 12.35 am At the End of the Day.

**BORDER**

9.25 am Walt Disney presents. 9.40 Freetime Special. 11.20 Chips. 5.05 pm The Zodiac Game. 5.35 Knight Rider. 10.35 Miss Universe.

**CENTRAL**

9.25 am Walt Disney presents. 9.40 Freetime. 11.20 Chips. 5.05 pm Film: "The Undefeated," starring John Wayne and Rock Hudson. 10.35 On Your Way, Riley! 11.35 Magnum.

**CHANNEL**

8.25 am Captain Scarlet and The Mysterons. 9.50 Blockbusters. 10.25 The Fantasy Film World of Ray Harryhausen. 11.20 Puffin's Pla(i)ce. 11.25 Tarzan. 12.14 pm Weather. 5.05 Puffin's Pla(i)ca. 5.10 Connections. 5.35 The A Team. 10.35 Elton John in Central Park. 11.35 Short Story Theatre.

**GRAMPIAN**

9.25 am Cartoon. †9.30 Beathaichean Neontach. †10.00 Bits 'n' Pieces. 10.25 Classic Creatures. †11.20 Fireball XL5. 11.50 Adventure of a Lifetime. 5.05 pm Diff'rent Strokes. 5.35 Magnum. 10.35 Golf: SPGA Championship Highlights. 11.35 Kojak. 12.35 am Reflections.

**GRANADA**

8.25 am Walt Disney presents. 9.35 Captain Scarlet and the Mysterons. 10.25 The Fantasy Film World of Ray Harryhausen. 11.20 Chips. 5.05 pm That's My Boy. †5.35 Film: "Genevieve," starring Kenneth More and Kay Kendall. 10.35 Miss Universe 1985. 12.05 pm The Norliae Tapes. 1.15 Closedown.

**HTV**

8.25 The Wonderful Stories of Professor Kitzel. 9.30 Captain Scarlet and the Mysterons. †11.15 Fireball XL5. 11.45 Fangface. 12.13 pm HTV News. 5.05 Keep It in the Family. 5.35 Chips. 10.35 Miss Universe 1985. 12.05 am A Dabble with Oigance. 12.35 weather.

**SCOTTISH**

9.25 am Cartoon Time. 9.30 Beathaichean Neontach. 10.00 Bits 'N' Pieces. 11.20 Freetime Special. 11.50 Adventure of a Lifetime. 5.05 pm Diff'rent Strokes. 5.35 The A-Team. 10.35 Golf—SPGA Championship. 11.35 Late Call. 11.40 Twenty years On.

**TSW**

9.25 am Captain Scarlet and the Mysterons. 9.50 Gus Honeybun's Magic Birthdays. 9.52 Blockbusters. 10.25 The Fantasy Film World of Ray Harryhausen. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.10 Connections. 5.35 The A-Team. 10.35 Elton John at Central Park. 11.35 Short Story Theatre. 12.05 am Postscript. 12.10 South West Weather and Shipping Forecast.

**TVS**

9.25 am Speedy and Sylvester. 9.35 Scooby Ooo. 10.25 Batman. 10.50 The Fantastic Four. 11.15 The Fantasy World of Ray Harryhausen. 12.12 pm TVS Weather. 5.10 Diff'rent Strokes. 5.40 The A-Team. 11.35 Police Squad. 12.05 am Roy Orbison—Portrait of a Legend. 12.35 Company.

**TYNE TEES**

8.25 am Chips. 10.20 Young Lookaround. 10.25 The Fantasy Film World of Ray Harryhausen. 11.20 Morning Glory. 11.25 The Jacksons. 11.50 Adventure of a Lifetime. 5.05 pm The Smurfs. 5.30 Galactica '80. 10.35 Legman. 11.35 Poet's Comer.

**ULSTER**

8.25 am Walt Disney Presents. 9.30 Freetime Special. 9.50 Cartoon Time. †11.20 Fireball XL5. 11.45 The Smurfs. 5.05 The Zodiac Game. 5.30 Battlestar Galactica. 11.35 Sports Results. 11.40 Pink Floyd at Pompeii. 12.35 News.

**YORKSHIRE**

9.25 am Regional Weather Forecast followed by Walt Disney Presents. 9.35 Scooby Ooo. 11.20 Captain Scarlet and the Mysterons. 11.45 The Jacksons. 5.05 pm Benson. 5.35 Chips. 10.35 Miss Universe 1985. 12.05 am That's Hollywood.

(S) Stereo on VHF

### BBC RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 11.02 Sports Desk. 12.30 pm The Random Jottings of Hinge and Bracket (S). 1.00 The Grumbleweeds. 1.30 Sport on 2, including Football; Racing from Goodwood; Cricket; Golf: the German Open at Bremen; Motor Racing; football results and at 5.45 Racing results. 6.00 Folk on 2. 7.00 Three in a row. 7.30 Cricket: Scoreboard: Gala Concert (S). 9.30 String Sounds (S). 10.05 Martin Kelner (S). 12.05 am Night Owls (S). 1.00 Jean Challis (S). 3.00-4.00 Wally Whyton (S) Introduces Country Club.

### BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.40 Bach on Record. 11.00 Edinburgh International Festival 85 (S). 11.50 It Couldn't Have Happened to a Nicer Girl. 12.05 pm Edinburgh Festival (S), Part 2. 1.00 News. 1.05 Scarlatti (S). 2.00 Israel Piano Trio (S). 3.05 Beecham Conducts Grieg, Delius, Bizet (S). 4.15 Clarinet and Piano (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum in Edinburgh. 6.45 Music for the Iron Voice (S). 7.10 A Tossed Coin. 7.30 Proms 85, Part 1: Strauss, William Schuman (S). 8.15 The Poetry of Robert Herrick. 8.35 Proms 85, Part 2: Dvorak (S). 9.30 Olderot. 9.50 Russian Piano Music (S). 10.50 Bach on Record. 11.15 The Romantic Motet (S). 11.57-12.00 News.

### RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down To Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.57 Weather; Travel. 9.00 News. 9.05 Click. 9.30 Profile. 9.50 News Stand. 10.05 Talking Politics. 10.30 Pick Of The Week (S). 11.30 From Our Own Correspondent. 12.00 pm News: A Small Country Living. 12.27 Quote . . . Unquote (S). 12.55 Weather. 1.00 News. 1.10 Telling Tales. 1.55 Shipping Forecast. 2.00 News: The Afternoon Play: "An Easy Game to Play," by Ray Connolly (S). 3.00 News: Radio Active. 3.30 Gardens. 4.15 An [illegible] The Stone Age. 4.45 [illegible] Touch. 5.00 Wildlife (S). [illegible] Aspects Of The Fringe (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Explorers Extraordinary (S). 7.10 A Village Network. 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S) "Rookery Nook," by Ben Travers. 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Animal Language (S) 11.00 Science Now—In Passing. 11.30 In One Ear (S). 12.00-12.15 am News; Weather. 12.33 Shipping Forecast.

## SUNDAY

† indicates programme in black and white

### BBC 1

8.55 am Play School. 9.15 Knock! Knock! 10.00 Asian Magazine. 10.30 Morning Worship. 12.35 pm Farming. 12.58 Weather News for farmers. 1.00 News Headlines. 1.05 Bonanza. 1.50 Cartoon. 2.00 Eastenders. 3.00 The Pink Panther Show. 3.20-5.20 Film: "The Hellfighters," starring John Wayne and Jim Hutton. 5.20 The Rock 'N' Rolle Years. 5.50 Watchdog. 6.20 Write Now! 6.30 News. 6.40 Songs of Praise. 7.15 Film: "The Watcher in the Woods," starring Bette Davis, Carroll Baker and David McCallum. 9.35 News. 9.50 The Daughter-in-Law. 10.30 Choices. 11.05 The Rise and Fall of King Cotton. 11.35 History On Your Doorstep. 12.00-12.05 am Weather.

### BBC 2

1.55-6.50 pm Sunday Grandstand, including Show Jumping from Hickstead; Motor Racing; Swimming; Athletics. 6.50 News Review. 7.15 An Actor's Life For Me. 7.45 Top Crown. 8.30 The Book Game. 9.00 Film: "Robert Altman's Nashville," with Ronee Blakley, Ned Beatty, Karen Black, Keith Carradine and Geraldine Chaplin. 11.35 Dutch Grand Prix. 12.10 am International Show Jumping. 12.50-1.05 Music at Night.

### LONDON

6.55 TV-am Breakfast Programme. 9.30 Roger Ramjet. 9.45 Snooper and Blabber. 10.00 Morning Worship. 11.00 Getting On. 11.30 In the Mouth of the Dragon. 12.00 Breedline Britain. 1.00 pm The Smurfs. 1.30 Groovy Ghoulies. 2.00 The Lesson is Ulster. 2.30 London News Headlines followed by Film: "Bless This House," starring Sidney James, Diane Coupland, Terry Scott and June Whitfield 4.00 Survival. 4.30 Pretenders. 5.00 Bullseye. 5.30 The Baron. 6.30 News. 6.40 Appeal. 6.45 Mary O'Hara and Friends. 7.15 Winner Takes All. 7.45 Film: "The Golden Gate Murders," starring David Janssen and Susannah York. 9.30 News. 9.45 The Adventures of Sherlock Holmes. 10.45 Aaaaay! You Ain't Heard Nothing Yet. 11.45 London News Headlines followed by American Documentary. 12.40 am Night Thoughts.

### CHANNEL 4

1.00 pm Irish Angle. †1.50 Film: "The Vicious Circle," starring John Mills. †3.25 "Green Hell," starring Douglas Fairbanks Jr with Joan Bennett, John Howard, Alan Hale, George Bancroft, Vincent Price and George Sanders. 5.05 Shades of Green. 6.15 News and Weather followed by The First Christian. 6.15 The Mississippi. 7.15 Film: "The Toast of New Orleans," starring Mario Lanza with David Niven, Kathryn Grayson and J. Carrol Naish. 9.00 Walking to New Orleans. 10.30 The Third Wave.

### S4C WALES

2.15 pm Gardeners' Calendar Roadshow. 2.45 Wales: Landscape and Legend. 3.15 The First Christian. 4.15 The Winds of War. 6.15 Heritage: Civilisation and the Jews. 7.20 Newyddion. 7.30 Tabyg at El Oebyg. 8.00 Pwy Sy'n Perthyn? 8.30 Mwynhau'r Pethe Euros Bowen. 9.05 Byd Cerdd. 10.25 Rygbilympics '85. 10.55 Criced. 11.25 Rejoice.

### REGIONS

IBA regions as London except at the following times:

**ANGLIA**

9.30 am At Home. 1.00 pm Mr Smith. 1.25 Weather Trends. 1.30 Farming Diary. 2.00 The Lesson is Ulster. 2.30 Film: "Seven Alone." 4.15 Just Amazing! 5.00 Pretenders. 5.30 Bygones. 8.00 For Valour. 11.45 That's Hollywood. 12.15 am African Journey.

**BORDER**

8.25 am Gardening Time. 8.55 Border Diary. 1.00 pm A Question of Faith. 1.30 Farming Outlook. 2.30 Film: "Botany Bay," starring James Mason and Alan Ladd. 4.15 Just Amazing. 5.00 Pretenders. 5.30 Hardcastle and McCormick.

**CENTRAL**

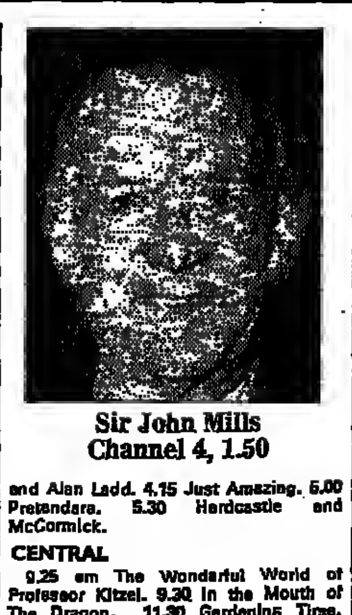
9.25 am The Wonderful World of Professor Kitzel. 9.30 In the Mouth of The Dragon. 11.30 Gardening Time. 1.00 pm Captain Scarlet and the Mysterons. 1.30 The Adventurer. 2.30 The Movies Go to War. 4.15 Just Amazing! 5.00 Pretenders. 5.30 Indiana Jones: Heroes and Sidekicks. 11.45 Ready or Not.

**CHANNEL**

12.25 pm Weather. 12.28 Starting Point. 12.30 Link. 1.00 The Protectors. 1.30 The Adventure of a Lifetime. 2.30 The Movies Go To War. 4.15 Just Amazing. 5.00 Pretenders. 5.30 Puffin's Pla(i)ce. 5.33 The Fall Guy.

**GRAMPIAN**

9.25 am Cartoon. 9.30 Flintstone Frolics. 10.00 Sesame Street. 1.00 pm Farming Outlook. 1.30 Pretenders. 2.30 Scotsport. 5.00 Wild Heritage. 5.30 Chips. 11.45 Reflections. 11.50 Golf—SPGA Championship. 12.20 am Barney Miller.



Sir John Mills
Channel 4, 1.50

**GRANADA**

9.25 am Miniature Chess Masterpieces. 9.35 Window on the World. 11.00 In the Month of the Dragon. 11.25 AAP Kas Hak. 11.30 Down to Earth. 1.00 pm The Baron. 2.30 Cartoon. 2.35 Film: "Campbell's Kingdom," starring Dirk Bogarde and Stanley Baker. 5.00 Cartoon Time. 5.15 Just Amazing. 9.00 The Zodiac Game. 11.45 That's Hollywood.

**HTV**

8.25 am Adventures of the Mouse on Mars. 9.30 Once Upon a Time . . . Man. 1.00 pm The Protectors. 1.30 West Country Farming followed by Weather for Farmers. 2.30 Two For The Road. 5.00 That's My Boy. 5.30 Falcon Crest. 11.45 The Last Village Wedding. HTV Wales—As HTV West except: 11.45 pm-12.30 am March on Bosworth.

**SCOTTISH**

9.25 am Cartoon. 9.30 In the Mouth of the Dragon. 10.00 Sesame Street. 11.30 The Lesson Is Ulster. 1.00 pm Pretenders. 1.30 Farming Outlook. 2.00 That's the Spirit. 2.30 Scotsport. 5.00 World Famous Fairy Tales. 5.15 Dreams. 5.45 Just Amazing. 11.45 Late Call. 11.50 Golf: SPGA Championships.

**TSW**

9.25 am Getting On followed by Getting On . . . Plus. 11.00 In the Mouth of the Dragon. 11.25 Look and See. 11.30 The South-West Week. 1.00 pm The Protectors. 1.30 The Adventure of a Lifetime. 2.30 The Movies Go To War. 4.15 Just Amazing! 5.00 Pretenders. 5.30 Gus Honeybun's Magic Birthdays. 5.33 The Fall Guy. 11.45 The South-West Week. 12.15 am Postscript. 12.20 Weather and Shipping Forecast.

**TVS**

8.25 am Woody Woodpecker. 9.30 Fangface. 1.00 pm Hardcastle and McCormick. 12.30 Film: "The Crooked Sky." 5.00 Dreams. 5.30 Hart To Hart. 11.45 That's Hollywood. 12.15 am Company.

**TYNE TEES**

9.25 am Morning Glory. 9.30 Getting On. 11.00 In the Mouth of the Dragon. 11.25 Lookaround. 11.30 Captain Scarlet and the Mysterons. 1.00 pm Farming Outlook. 1.30 Celebration. 2.30 Film: "The Spy Who Came In From The Cold," starring Richard Burton, Claire Bloom, Oskar Werner and Peter Van Eyck. 5.00 Princess Anne and Her Love of Horses. 5.30 Magnum. 11.45 Epilogue.

**ULSTER**

12.58 pm Lunchtime News. 1.00 The Nature of Things. 1.58 Farming Weather. 2.30 The Movies Go To War. 4.15 Just Amazing. 5.00 Pretenders. 5.30 The Love Boat. 11.45 Sports Results. 11.50 Festival Folk. 12.15 am News.

**YORKSHIRE**

9.25 am Regional Weather Forecast followed by Getting On. 11.00 In the Mouth of the Dragon. 11.30 Farming Diary and Weather. 1.00 pm The Champions. 2.30 Film: "The Magnificent Seven Deadly Sins," starring Bruce Forsyth, Harry H. Corbett and Spike Milligan. 5.00 The Zodiac Game. 5.30 Cartoon Time. 5.45 Just Amazing. 11.45 The New Squadronaires. 12.15 am Five Minutes.

## RADIO

(S) Stereo on VHF

### BBC RADIO 2

7.30 am Roger Royle (S). 9.00 Melodies For You (S). 11.00 Desmond Carrington (S). 12.02 pm Sports Desk. 1.00 Gloria Hunniford Presents Two's Best. 2.00 Stuart Hall's Summer Sounds including Motor Racing, Show Jumping, Golf, Cricket. 6.30 Charlie Chester. 7.30 Cricket Scoreboard. 7.35 Glamorous Nights. 8.30 Sunday Half-hour. 9.00 Your Hundred Best Tunes. 10.02 Sports Desk. 10.05 Songs From The Shows. 10.45 Ronnie Smith. 11.00 Sounds of Jazz (S from midnight). 1.00 am Jean Challis (S). 3.00-4.00 Gloria Hunniford Presents Two's Best (S).

### BBC RADIO 3

6.55 am Weather. 7.00 News. 7.05 Walter Gieseking. 8.00 Bach Cantatas 1724: No. 137 (S). 8.20 Handel Sonatas and Organ Concertos (S). 9.00 News. 9.05 Your Concert Choice (S). 10.45 Prom Talk. 11.15 Edinburgh International Festival '85: Recorded Concert by the Orchestre National de France conducted by Thomas Fulton, part 1: Duparc, Berlioz (S). 11.50 Words. 11.55 Edinburgh '85, part 2: Florent Schmitt (S). 12.30 pm Bach on Record. 12.50 Wind Quintets (S). 1.30 British Piano Music (S). 2.15 Aci, Galatea e Polifemo (S). 3.50 Bax and Spohr (S). 4.30 Haydn and Tchaikovsky (S). 5.30 A Scrap of Civilisation. 6.00 Ulster Orchestra (S). 7.00 Jacques the Fatalist (S). 9.00 Bach: Mass In B minor (S). 10.00 Poetry Now. 10.20 Bach: Mass in B minor (conclusion) (S). 11.30 Bach on Record. 11.57-12.00 News.

### RADIO 4

7.00 am News. 7.10 Sunday Papers. 7.15 Apna Hi Ghar Samajhiye. 7.45 Bells. 7.50 Turning Over New Leaves. 7.55 Weather; Travel. 8.00 News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 Alan Titchmarsh talks about Holidays for the Disabled. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter From America. 9.30 Morning Service. 10.15 The Archers. 11.15 The Colour Supplement. 12.55 pm Weather. 1.00 The World This Weekend: News. 1.55 Shipping Forecast. 2.00 News; Family Firm. 2.30 The Afternoon Play: "Arrived Safe, Writing Later" (S). 4.00 News; Talking About Arthur. 4.30 The Living World. 5.00 News; Travel. 5.05 Down Your Way. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Travelling Bass. 6.30 A Good Read. 7.00 Travel; Lord Jim (S). 7.30 We Select An Englishman (S). 8.30 Modern Monasticism. 9.00 News; Kidnapped and Catriona (S). 9.58 Weather. 10.00 News. 10.15 The Class of '84. 11.00 Grace is the Devil's Territory. 11.15 You the Jury (S). 12.00-12.15 am News; Weather. 12.33 Shipping Forecast.